

## EC Chiefs Differ on Finances

### Thatcher Holds To Demand for Spending Curbs

By Peter Maass

BRUSSELS — European Community leaders, beginning a two-day summit meeting over the EC's gaping deficit, appeared to make little headway Monday in narrowing their differences on financial reform.

Even before the meeting started, the chairman of the conference,

Britain clears the way for the EC to resume high-level contacts with Syria. Page 5.

Prime Minister Wilfried Martens of Belgium, was forced to withdraw his working paper on budgetary reform. It had been rejected by the EC's poorer southern nations, who called for less budgetary rigor and more development aid.

After the first round of talks between the 12 heads of government, plus President François Mitterrand of France, it was not clear whether a compromise could be negotiated that would satisfy both the north and the south. The wealthier northern countries balk at suggestions that member countries increase their contributions to the community to bridge the budget gap.

"There are two fundamental themes that are in conflict," said a spokesman for Mr. Martens. He noted, however, that the leaders are primarily trying to set the direction for future talks and do not intend to settle the budget problem at this conference.

As the first day of talks ended, the French and West German leaders met mainly to discuss the agricultural aspect of the budget problem.

In general, Prime Minister Margaret Thatcher dominated the opening of the semiannual summit meeting. She held unyieldingly to a line calling for limits on EC spending, while her delegation carried out intense negotiations with Spain over the status of the single-runway airport at Gibraltar.

The Gibraltar dispute broke out last week and has held up approval of a long-awaited accord to liberalize EC airline rules, leading to lower fares. The fragile airline accord will probably dissolve if the Gibraltar dispute is not solved by the end of the summit meeting. A new set of EC rules goes into effect July 1.

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Students arrested during recent protests were greeted Monday by relatives as they were released from a prison in Seoul.

## Egypt Will Build a High-Tech U.S. Tank

By Patrick E. Tyler

Washington Post Service

CAIRO — The Reagan administration has agreed to allow Egypt to produce the United States' main battle tank, the M-1A1 Abrams, in a move that will transfer sensitive technology to the Egyptians.

The decision is to be criticized by those who oppose sending sensitive U.S. weapons technology abroad and those who would consider Egyptian production of the Abrams to be a potential threat to Israel's security.

The Egyptian defense minister,

Field Marshal Abdel-Halim Abu Ghazala, has lobbied Washington for more than a year to get approval for the M-1A1 and has overcome opposition from the U.S. Army.

Marshall Abu Ghazala is said to have the support of President Hosni Mubarak and the Egyptian cabinet to designate the Abrams project as a national priority. That step is considered essential to the project because the cost of production may consume most of Egypt's \$1.3 billion yearly military aid allowance from the United States.

Marshall Abu Ghazala has said

that the Egyptian armed forces would produce as many as 1,000 to 1,500 of the tanks at a factory under construction in the Nile Delta region north of Cairo.

U.S. officials, here and in Washington, have not commented publicly on the project for Egypt.

But sources in Cairo said last week that the decision had been made and conveyed to Egyptian leaders in a series of private meetings between Marshall Abu Ghazala and Secretary of Defense Caspar W. Weinberger and his assistant secretary for international

security affairs, Richard L. Armitage. Mr. Armitage was in Cairo for discussions on the tank in late April.

According to sources in Cairo, Mr. Weinberger already has approved an exception to the U.S. "national disclosure policy" for the technology transfer.

The sources said U.S. and Egyptian officials are working out the terms of a memorandum that will require Egypt to protect the tank's classified systems and the sophisticated metallurgical processes that

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## Seoul's Ruling Party Yields on Direct Vote

### Rewriting the Rules

By John Burgess

Washington Post Service

SEOUL — With a brief television address Monday morning, the ruling party chairman, Roh Tae Woo, rewrote the rules of South Korean politics and created optimism, in some cases euphoria, that liberal democracy may yet take root in one of the most intractably authoritarian environments in the non-Communist world.

There had been hints that compromise was coming. But no one was prepared for the scope of what he did.

Mr. Roh announced that he would recommend granting virtually all of the opposition's demands concerning democratic reform and agree to a direct election of the president. President Chun Doo Hwan is expected to approve it.

Even Kim Dae Jung, long denounced as a firebrand revolutionary, would have his political rights restored and be free to run for office.

Mr. Roh abandoned the plans for change that his Democratic Justice Party had long clung to.

"If the majority of the people do not want it," he told viewers, "even the best-conceived system will alienate the public and the government that is born under it will not be able to dream and suffer together with the people."

Under the normal rules of politics in South Korea, Mr. Roh's move would have been an intolerably humiliating defeat for the ruling party, an enormous loss of face. Instead, it seems to have set the party ranks to celebrating that they

have finally done something that people support.

"We are following the people's opinion," said Kang Chang Hae, a ruling party assemblyman.

The whole arrangement, however, could fall apart. Koreans of all political persuasions excel in creating new demands at the seeming

### NEWS ANALYSIS

moment of agreement; their political world is often compared to a heavyweight boxing ring. Yet, many people are feeling more optimistic than they have in years that their country is at some type of threshold.

The Seoul stock market Monday had a record single-day climb of almost 17 points. Newspapers rushed extra editions into print.

"We are extremely proud, we are a great people," declared the Dong-A Ilbo newspaper.

Even before Mr. Roh's statement, unusual things were happening. South Korea weathered three weeks of violence in the streets without the government invoking the old expedient of declaring martial law, closing the National Assembly and sending everyone home under guard of tanks and soldiers.

It was proof that politics have progressed, however slowly, beyond military domination. Ordinary South Koreans' political expectations are higher. They are better educated. They are unwilling to tolerate a return of the soldiers. Their country has a world reputation to guard as a major trading

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### Opposition Seeks Election By November

By Clyde Haberman

New York Times Service

SEOUL — The chairman of South Korea's ruling party proposed Monday that the next South Korean president be chosen through direct elections, yielding, in a stunning turnaround, to every long-standing opposition demand of significance.

Early Tuesday, President Chun Doo Hwan weighed his ruling party's surprise recommendation amid a growing consensus that he had little choice but to accept.

Mr. Chun prepared to meet with Roh Tae Woo, the ruling party chairman, who altered the South Korean political landscape Monday in a nationally televised announcement.

Opposition leaders praised the action by Mr. Roh and called Monday for a presidential election by November.

In addition to direct elections, Mr. Roh proposed legal changes to guarantee fair campaigns as well as restoration of full civil rights to Kim Dae Jung, the opposition leader, and to most political prisoners.

He also called for human rights improvements, more freedoms for the press and political parties, autonomy for local governments and improved social programs.

It was what people wanted, Mr. Roh said in his broadcast address. "The people are the masters of the country, and the people's will must come before anything else," he said.

Korean political analysts and foreign diplomats said that Mr. Chun could not reject the recommendations without the risk of street protests that could be even more violent than those that had triggered South Korea's deepest political crisis in seven years.

"Even people in the military," a diplomat said, "are telling Chun that things have changed and that he's got to do something."

It was not clear when the president would make his decision. On Monday, Mr. Chun's press secretary, Lee Jong Ryool, said only that an announcement would be made soon.

Mr. Roh, whom Mr. Chun had picked as his successor under a system that may be soon be discarded, suggested that approval was likely.

During a meeting with national assemblymen from the ruling Democratic Justice Party, he said, "I will recommend to President Chun what I have suggested to establish and develop democracy according to the desire of the people."

"I don't think that the president would think otherwise," he said.

His announcement came as such a shock that anti-government politicians, ruling party officials and independent analysts all struggled to evaluate its implications. It was generally agreed, however, that the move may signal a halt to the street clashes that occurred on and off for nearly three weeks in Seoul and more than 30 other cities.

Opposition leaders, including Kim Dae Jung and Kim Young Sam, welcomed Mr. Roh's agenda but withheld comment on their own plans until after Mr. Chun reacted.

Kim Dae Jung, who technically is barred from political activity because he is under a suspended sentence for sedition, proposed that an interim government be formed to supervise national affairs until Mr. Chun steps aside next February.

Under his plan, Mr. Chun would head a "pan-national" cabinet to include opposition members.

The idea seemed to draw a cool reception from Kim Young Sam, who declined to discuss it. Although they have presented a

See KOREA, Page 8

## Syria, Reacting to Abduction of Glass, Is Said to Restrict Iranians in Lebanon

The Associated Press

BEIRUT — Syria has restricted the movement of Iranian Revolutionary Guards based in eastern Lebanon and canceled their firearm permits in retaliation for the recent abduction of an American journalist, Shiite Moslem sources said Monday.

The sources, who spoke on the condition that they remain anonymous, said that the estimated 3,000 Iranian Revolutionary Guards in Lebanon's Bekaa Valley also have been barred from using military roads linking the region to Syria.

That strips them of the privilege of traveling in and out of Lebanon without being stopped or searched at military checkpoints or border customs posts, the sources added.

The sources said that the Bekaa restrictions were part of a Syrian campaign to free the journalist, Charles Glass, from pro-Iranian Shiite extremists who are believed to be holding him in southern Beirut.

Syria has maintained troops in Lebanon since 1976. The Iranian Revolutionary Guards came to the Bekaa in 1982 to fight

alongside the Syrians against invading Israeli troops.

Mr. Glass, 36, was the first foreigner abducted since Syria deployed 7,000 troops in Moslem West Beirut on Feb. 22 to curb lawlessness among the private militias there.

He was kidnapped on June 17 along with Ali Ouseiran, 40, the son of Lebanon's defense minister, and Mr. Ouseiran's driver, Mr. Ouseiran, an agricultural engineer, was freed last week with the driver.

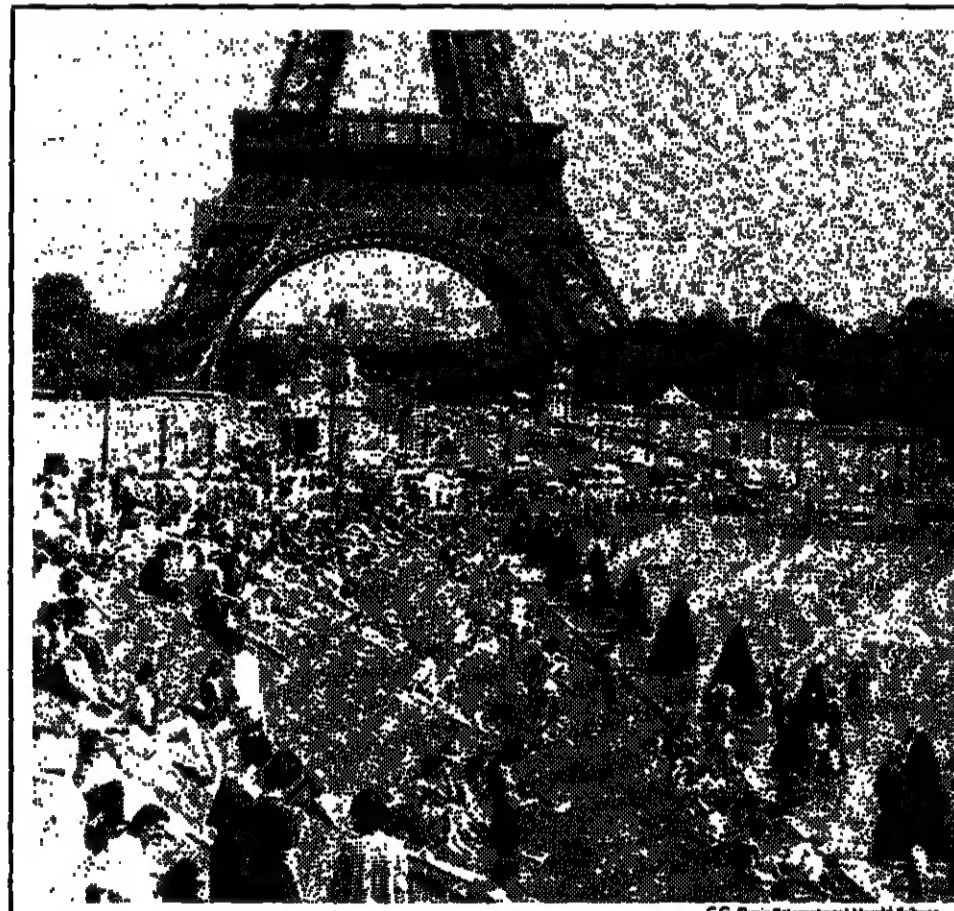
The continued captivity of Mr. Glass is seen as a blow to Syria's law-enforcement effort in Beirut. The Syrians have been urging foreign diplomats and journalists who fled the city's Moslem sector to return.

No group has claimed responsibility for Mr. Glass's abduction, but the Syrians appear convinced that pro-Iranian Shiite extremists are holding him.

Syrian checkpoints are stopping suspected extremists from leaving southern Beirut's Shiite slums, where many of the 25 foreigners missing in Lebanon are believed held.

Also Monday, banks closed throughout Lebanon to protest the abduction two years ago of three senior department chiefs at the nation's Central Bank.

All 132 banks in Moslem and See BEIRUT, Page 8



Suddenly, It's Summer in Europe — And Hot

As temperatures rose from Britain to the Urals, Parisians and foreign tourists sought relief in the parks and fountains around the Eiffel tower. After a cool and wet June, forecasters said that high temperatures may endure despite thunderstorms and a lingering cold front over Scandinavia. Only Denmark, Norway, Sweden, Scotland and Ireland had some rain and lower temperatures. Page 2.

## Kiosk Van Gogh Sold For \$20 Million

LONDON (Reuters) — A canvas by Van Gogh was sold Monday at auction for £12.6 million (\$20.2 million dollars). The painting, "Le Port de Trinquetaille," becomes the second most expensive painting ever sold at auction. In March, Van Gogh's "Sunflowers" was sold for \$24.7 million, the highest price ever paid for a painting at an auction.



Martina Navratilova beat Peanut Harper 6-2, 6-2 to advance to the fourth round Monday at Wimbledon. Page 17.

### GENERAL NEWS

■ The paradise islands of the South Pacific have been bypassed by progress. Page 5.  
■ Experts on garbage agree: The United States is facing a "solid waste crisis." Page 4.

Dow close: UP 10.05  
The dollar in New York:  
DM £ Yen FF  
1.8285 1.6005 146.70 6.1015

## Some Iran-Contra Cash Went to Fight Lawsuit

By Joe Picchirallo

Washington Post Service

WASHINGTON — More than \$100,000 from Swiss bank accounts set up in the Iran-contra affair was spent for private detective work and legal fees to fight a lawsuit filed against Major General Richard V. Secord and other prominent members of the private network run by Lieutenant Colonel Oliver L. North, according to General Secord and other sources.

It is not clear precisely where the money originated, because profits from the American arms sales to Iran were mingled with private donations to the Nicaraguan rebels, or contras, as well as the proceeds from separate U.S. weapons sales to the contras.

The lawsuit was filed last year in U.S. District Court in Miami by a legal group opposing aid to the contras.

General Secord, a retired air force officer, described the suit as "an outrageous fairy tale."

But he said the payments were justified because the suit threatened to "knock out" the secret system that Colonel North, a former National Security Council aide, had set up to supply arms to the contras at a time that Congress had forbidden such aid.

The Christie Institute, a liberal, church-financed law group, filed the suit six months before the Iran-contra affair became public last November. The suit, which seeks more than \$20 million in damages, alleges a conspiracy to use drug money to purchase weapons for the contras. It named 29 defendants, including General Secord and a contra leader, Adolfo Calero Portocarrero.

Members of the congressional committees investigating the Iran-contra affair have become increasingly critical of the way General Secord and his associates handled proceeds from the secret sale of U.S. arms to Iran. Some members have asserted that the profits belong to the American taxpayers.

General Secord has vigorously denied that he profited from his assistance to Colonel North. But he has insisted that the profits from

the arms sale to Iran do not belong to the government and instead are the property of the "enterprise." That is his name for the network of dummy corporations and Swiss bank accounts set up to carry out Colonel North's operations.

General Secord said in an interview that the legal fees and detective work were legitimate business expenses because the Christie lawsuit could have exposed the efforts

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## London Grumbling Over Crumbling Albert Memorial

By Howell Raines

New York Times Service

LONDON — Here is the news from Kensington Gardens: The Albert Memorial, a towering landmark of Victorian architecture and one of London's most beloved and ridiculed tourist sights, could collapse within five years.

"To put it in a nutshell," said Allan Chick, a spokesman for the Department of the Environment, "it is rotting away."

What is to be done? The answer, in a country that thinks of itself as an outdoor museum, cannot be put in a nutshell. All over London, government bureaucracies and preservation groups are grumbling and "no commenting."

Officials have been told that Queen Elizabeth II is watching with interest to see that her government does the right thing by her great-grandfather, Prince Albert.

His premature death at 42 in 1861 plunged his wife, Queen Victoria, and Britain into a paroxysm of grief. The queen personally approved plans for the memorial, which has been regarded in some decades as a crowning work of the Gothic Revival style and in others as an eyesore.

Queen Victoria expressed her grief grandiosely. Thirty-seven cannons were melted to make the bronze statue of Prince Albert. It was housed under a stone canopy topped by a 200-foot spire, and surrounded by life-size statues of

camels and elephants, a frieze depicting 169 artists, poets and musicians, the second largest mosaic in Europe and 2.5 miles (4 kilometers) of granite steps.

On July 1, 1872, Queen Victoria inspected what she had wrought and pronounced it a success. Now, 125 years later, someone has to pay the maintenance bill. In an Environment Department that has become a hotbed of buck-passing, "it is obviously a delicate situation," an official concluded.

After the cabinet shuffle that followed Prime Minister Margaret Thatcher's re-election this month, William Waldegrave happily handed the Prince Albert portfolio to Lord Bestead, a newcomer sent

from the Department of Agriculture.

Like his predecessor, Lord Bestead declined to be interviewed, but it is known that the Prince Albert file contains a confidential engineering report that outlines seven options, ranging from the ex-

See ALBERT, Page 8

## Democrats Long for Nonrunners of '88

By E.J. Dionne Jr.

New York Times Service

WASHINGTON — Twice last week, important Democrats gathered to discuss politics and listen to senators who most of those present thought would make excellent presidents.

There was only one problem: In each case, the man in question — Senator Sam Nunn of Georgia, the center of attention at a meeting of the Democratic Leadership Council in Atlanta, and Senator Bill Bradley of New Jersey, who was jovially roasted at a fund-raising dinner in Washington — was not running for president at all. And Mr. Bradley, at least, says he is absolutely, positively certain he will not run in 1988.

Among the most unusual aspects of the 1988 presidential contest, already off to an early rocky start, is a longing for the candidate who is not there.

On the Democratic side, although seven candidates are already in the race and three more are thinking of running, many in the party say they want someone else. Among the most talked-about nonrunners are Mr. Bradley, Mr. Nunn and Governor Mario M. Cuomo of New York.

Even among Republicans, who seem for the moment to have the more orderly battle, there is some longing for Howard H. Baker Jr., who chose to be President Ronald Reagan's chief of staff rather than a candidate.

On both sides, moreover, partisans of those

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who are not candidates can concoct ingenious scenarios under which their favorite would be nominated if he entered the race late, or even if he did not announce at all. They back their claims with polls showing that their preferred noncandidate, especially in the case of Mr. Cuomo, Mr. Bradley or Mr. Baker, is more popular than most of the willing entrants.

The actual candidates, especially on the Democratic side, are well aware of, and somewhat annoyed at, the interest being generated by those on the sidelines.

At the event featuring Mr. Bradley, a benefit for Independent Action, a group that helps liberal congressional candidates, each of the seven candidates present expressed gratitude that Mr. Bradley had decided not to run. The candidates who showed up were Senator Joseph R. Biden Jr. of Delaware, former Governor Bruce Babbitt of Arizona, Representative Richard A. Gephardt of Missouri, Senator Albert Gore Jr. of Tennessee, the Reverend Jesse Jackson, Senator Paul Simon of Illinois and Governor Michael S. Dukakis of Massachusetts.

Mr. Biden, referring to Mr. Bradley's repeated statements that he does not regard himself as ready to run, praised the New Jersey senator's "internal clock" and said he hoped it would keep him on schedule for a presidential candidacy — in 1996.

In Atlanta, at the meeting of the Democratic Leadership Council, Mr. Nunn was besieged by questions about his intentions. Friends say the

See 1988, Page 8



# Summer Erupts in Europe, With a Fair Chance of Survival

By Thomas Netter  
International Herald Tribune  
GENEVA — It was one week into summer, and business was booming at Le Glacier du Mont Blanc along the port of Geneva.

Instead of the forlorn, rain-swept and leaden sky so familiar for the last month, the sun shone brightly on the red and white tables, and the brown-striped parasols flapping in a warm breeze shielded the tourists from the heat.

"Oh, it were we busy over the weekend," said the proprietor, beaming with delight as she surveyed the shimmering lakeside promenade. "It's nice like this, ça marche."

Across Europe, it did not take a weatherman to know that summer had finally arrived, bursting out of a soggy June with the lightness of a butterfly. After rain, rain and more rain from the British Isles to the Urals, the sun came out, the sky was blue and the temperatures soared.

"Summer is here," said an official at the London Weather Center, making it somewhat official, "and it has put the smiles back on people's faces. And just in time, I almost had to go and look up in the dictionary what summer meant, after all the cold weather."

Weather forecasters said a "blocking pattern" that had been anchored in mid-Atlantic and had sent westerly winds in an arc over the freezing Arctic like a giant air conditioner has begun to break down, allowing a high-pressure warm weather of summer may be here to stay.

Temperatures in the entire Mediterranean, from southern Spain to Turkey, were hot, between 25 and 30 degrees centigrade (77 to 86 Fahrenheit).

Elsewhere in Europe, they ranged from 24-27 C (75-81 F) over France, Switzerland and Germany to 27-28 C (81-82 F) over much of the British Isles. Only Denmark, Sweden, Norway, Scotland and Ireland had some rain, with temperatures of 17-18 C (63-64 F), the London Weather Center said.

"Through the weekend, things are looking fairly good, in particular for the bulk of Western Europe," a Weather Center spokesman said. "There may be some thundery outbreaks across northern France, Switzerland and Austria. But behind that, there is even more settled weather coming. The general prognosis is good."

While most of Europe was all smiles, in London, the sudden change for the better left at least some people in a depression. The Weather Center official said bookies were giving 16-1 odds against the temperature hitting 24 C (76 F) by the end of last week, adding, "I guess they took a bit of a hit on that one."

Elsewhere, the arrival of summer was the biggest hit of all after a June that saw rain nearly every day and unseasonably cold temperatures.

"The month of June is a lost cause," said the proprietor of Le Glacier du Mont Blanc in Geneva, who depends on sun to create a thirst for ice cream floats and a desire for banana splits.

"If things keep up like this, then we may end up having a normal business this summer."

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## Britain Tries to Export A Hit on TV: Snooker

Promoter Pits Champion vs. American

By Steve Lohr  
New York Times Service  
ROMFORD, England — Will snooker sell in Peoria?

Intricate and played at a glacial pace, this elaborate form of pool hardly seems a game destined to win over the action addicts of America, whose sporting tastes tend toward home runs, knockouts and slam dunks.

But that does not faze a marathon-running accountant named Barry Hearn, who is credited with helping make the game the sports phenomenon of the 1980s in Britain.

"The only question now is whether Americans have enough class for this game of snooker," Mr. Hearn declared.

Snooker has become the most widely watched sport on British television. BBC gives nearly eight hours a day of coverage during the 17 days of the world championships. But it is little known outside Britain.

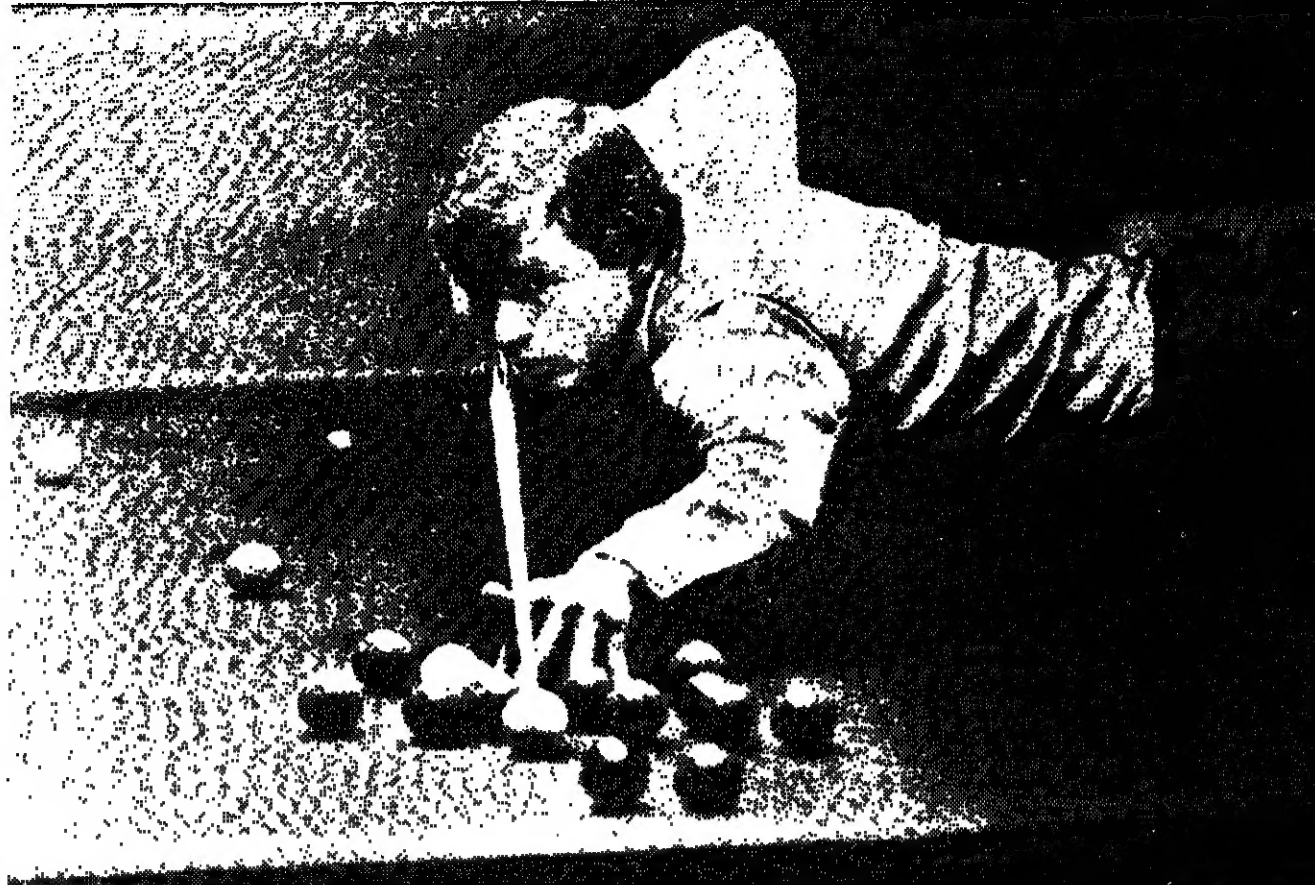
That could change soon. Starting Friday, one of the stars Mr. Hearn manages, Steve Davis, the world snooker champion, will challenge Steve Mizerak, a top American pool player who also appeared in the film "The Color of Money," as one of players who lost to Paul Newman.

The three-day, \$80,000 contest in the Swiss resort of St. Moritz — with games of both snooker and pool — will be televised around the world to a potential audience of 250 million people.

In the United States, three hours will be shown by delayed broadcast on ESPN, the all-sports cable channel. It will be the first time on American national television for snooker.

The contest will be covered by Super Channel in Britain, the Netherlands, West Germany, Scandinavia, Belgium, Austria and Switzerland. British viewers can also watch it on Channel 4. In France, it will be broadcast by Canal +. The contest will be televised in Hong Kong, Australia (Channel 9), Japan (NHK), and Canada (PSN).

"We want to go global with snooker," Mr. Hearn explained in his office in this London suburb,



Steve Davis, the world snooker champion, executes a difficult shot.

## A Subtle, Slow Form of Pool to Wile Away the Day

ROMFORD, England — Snooker was conceived to help wile away the long rainy season in India. It was invented at a military club in Jubbulpore in 1875 by a young English officer, Neville Chamberlain (no relation to the prime minister of the same name), who was later knighted.

He came up with snooker as a more complex form of "black pool," which used all red balls, except for one black. The addition of more colored balls and other refinements gave the game greater variety, as well as more betting options.

The game's name, too, has a military origin. In the late 19th century, a first-year cadet at the Royal Military Academy was called a snooker, which was probably a variant of "snook," meaning to sneak about. According to legend, Chamberlain called a fellow player a snooker after a particularly poor shot. The players agreed they were all inept at the new game, so they called it snooker.

Snooker is more subtle and slow-moving than pool not only because the table is larger, the pockets are smaller and the balls are more plentiful. Its rules are also more intricate.

In snooker, the player must first sink a red

ball, and then sink a red ball between each ball of a different color. When sunk, the colored balls are returned to a specific position on the table, until all the red balls have been pocketed. However, red balls are not returned to the table when sunk.

Once all 15 red balls have been pocketed, the colored balls must be sunk in a specific order — yellow, green, brown, blue, pink and black. Each of the colored balls is worth a different number of points.

A player is snookered when his one ball is badly boxed in by other balls, following a deft positioning shot by the opponent.

## List Is Long for Dutch Housing Demand Eternally Exceeds Supply, but Rents Remain Low

By Ronald van de Krol  
Special to the Herald Tribune  
AMSTERDAM — The chronic postwar housing shortage in the Netherlands entered its 43d year recently with a jolting piece of news: The government now believes that the shortage is twice as large as it estimated only a year earlier.

More than four decades after other West European countries discarded talk of housing shortages along with postwar ration coupons, the Netherlands is still battling to bring supply of affordable housing into line with demand.

The term "postwar shortage" conjures up people living in the rubble of bombed streets or in make-shift shelters and seems out of keeping with the high standard of living achieved in the Netherlands after the war.

But the shortage is not so much a physical lack of housing as it is a failure, by Dutch standards, to provide reasonably priced, individual apartments or houses for everyone over the age of 18 who wants one.

In the Netherlands, a lack of easily affordable housing constitutes a housing shortage because the Dutch have traditionally paid a relatively smaller part of their incomes toward rent than tenants elsewhere.

"The shortage is rarely a question of homelessness as such," said Jan Buisman of Amsterdam city hall's information department. "It's a hidden shortage, consisting very often of young people un-

der the age of 23 who live with their parents or in student-type accommodations because they can't find suitable, affordable flats of their own," he said.

Some of the cheapest rents are found in the Netherlands, in relation to comparable Western countries.

In Amsterdam, where 56,000 people possess the crucial "certificate of urgency" that puts them at the top of long lists of those waiting for accommodations, the median rent is 320 guilders (\$160) per month. For the country as a whole, the average monthly rent at the end of 1986 was only 380 to 400 guilders.

Mr. Buisman said Amsterdam's rule of thumb in housing policy was that people should pay about one-sixth of their pre-tax salary in rent. In New York or London, by contrast, rents can easily swallow one-third or more of net salary.

In May, the housing ministry revised its estimate of the country's housing shortage to 127,000 units, twice its previous forecast.

The ministry blamed the increase on the trend toward what it calls greater "individualization," or the growing tendency for people under 35 years old to remain single longer — and therefore remain the sole occupant of a house or apartment.

Despite the unexpectedly large rise from the previous year's estimate, the overall housing shortage has eased since the end of World War II.

"After the war, there was no house or flat available for one in seven families," a housing ministry spokesman said. "Today, that figure is one in 50."

But tenant groups say the official figures do not reflect the full problem. One group says 1.6 million

people of a total population of nearly 15 million are looking for either their first rented apartment or a new one.

The government and tenants agree that the housing shortage in the 1980s mainly affects young people who want to find an apartment of their own below 450 guilders per month.

Emilie Blom van Assendelft, 24, spent three years as a squatter in an empty office block and a total of six years on a waiting list before the city offered her a small, two-bedroom apartment without central heating in a popular area near the main Amsterdam canals.

She pays 230 guilders a month, about a quarter of her monthly unemployment check.

Like most young people in Amsterdam, Miss Blom van Assendelft applied for her urgency certificate as soon as she reached the minimum age of 18.

Finding an apartment is no easy task for people who cannot afford rent in the "free sector," or the unregulated segment of the market that begins at about 700 guilders per month.

Apartment are rarely found through newspaper advertisements, as in other countries. Instead, people can join nonprofit housing associations or visit the municipal housing office and apply for an urgency certificate. In both cases, they can expect a long wait.

Although local and national governments play a central role in distributing and subsidizing housing, they own fewer than 10 percent of the country's 5.5 million houses and apartments.

Nearly 40 percent of all housing is controlled by the housing associations, many of them set up early in this century to provide accommodations for the new urban industrial work force.

## Barbie Retains Nazi Beliefs, Jury Is Told

International Herald Tribune  
LYON — The prosecutor at the trial of Klaus Barbie said Monday that the former SS officer had retained his Nazi beliefs despite Germany's defeat in World War II.

The prosecutor, Pierre Truche, beginning his final summation, said that Nazism was "a philosophical doctrine which commits men in their behavior for life."

He said that Barbie, 73, who is on trial on charges of crimes against humanity for his role in Lyon during the war, had shown during his brief appearances at the trial that he remained true to the convictions he held as a young man.

Barbie has been brought to the trial twice against his will since refusing to attend further sessions on May 13, the third day of hearings.

He faces a life sentence at the trial, which is expected to end Friday. Mr. Truche will make the prosecution's demand for a verdict and sentencing Tuesday. On Wednesday and Thursday, Barbie's defense counsel will speak.

As the eighth week of the trial opened, André Cerdini, the presiding judge, rejected a request by Barbie's lawyer, Jacques Vergès, for earlier death sentences to be taken into consideration at the current trial. The sentences were passed on Barbie in absentia in 1952 and 1954 by French military courts.

Mr. Vergès argued that since the death sentence has been abolished in France and since the 1950s charges against Barbie cannot be renewed because of the statute of limitations, the judge's acceptance would have resulted in Barbie's acquittal.

## WORLD BRIEFS

### Greek Labor Chief Hurt in Ambush

ATHENS (AP) — A gunman shot and critically wounded the senior labor union official in Greece on Monday as he was getting out of his car outside his home in an Athens suburb, the police said.

The official, George Raftopoulos, 47, heads the Confederation of Greek Labor Unions. In a typed proclamation found on the street, a previously unknown group called May 1 claimed responsibility for the attack, a police spokesman said.

Greek labor unions are bitterly divided over the socialist government's 20-month-old austerity policy. After a labor movement split in 1985, Mr. Raftopoulos's position was challenged by socialist rebels and Communist-led unions. His faction supports Prime Minister Andreas Papandreu's bid to curb inflation and a budget deficit through a virtual freeze on wages and through a tight money policy.

### Iran Reportedly Building Oil Pipeline

PARIS — The French oil magazine Petrostrategies reported Monday that Iran is secretly building a pipeline to channel its oil southward to the Gulf of Oman so that its exports can avoid crossing the Gulf.

The magazine said 5,000 people were working on the project, which began early last year and is expected to be finished early next year. The pipeline will carry a million barrels of oil a day, it said. The report did not say whether foreign companies were involved in the construction, but it said that piping had been bought at "high prices" from West Germany, Japan and South Korea.

[Iraq reported another attack on Gulf shipping Monday, Reuters reported from Bahrain. But salvage operators in the Gulf reported no distress calls.]

### NBC Workers Strike in 6 U.S. Cities

NEW YORK (AP) — The union representing 2,800 producers, writers and technicians in six cities went on strike Monday against the NBC television network in the third and largest strike against an American network this year.

The strike, in New York, Washington, Chicago, San Francisco, Cleveland and Burbank, California, affects about a third of NBC's work force but did not disrupt service. The action was called after union leaders charged that NBC's proposed two-year contract threatened job security, and the union by demanding that nonunion workers and management be allowed to do tasks performed by union members.

A total of 575 editorial workers at ABC and CBS struck for nearly two months this spring, also over job security. The networks said they gained flexibility in hiring and dismissals while the unions claimed partial victories.

### U.S. Cardinal Seeks to Pray With Jews

NEW YORK (Combined Dispatches) — Cardinal John J. O'Connor has called for Roman Catholics and Jews to join together at a prayer service in New York to heal divisions caused by the meeting last week between Pope John Paul II and President Kurt Waldheim of Austria.

The meeting infuriated many Jews, especially because there was no public mention by the pope of allegations that Mr. Waldheim was involved in war crimes during his service as a German Army officer during World War II. The cardinal said Sunday that many Catholics had been hurt by the criticism of the pope. In interviews, he defended the pope's decision to receive Mr. Waldheim.

In Vienna, meanwhile, Mr. Waldheim sharply rejected a call for his resignation by the Vienna section of the Socialist Party, which is a partner in the country's governing coalition. He said he intended to complete his six-year term. (NYT, Reuters)

### Gandhi to Meet Gurkha Separatists

NEW DELHI (NYT) — Gurkha militants in the Himalayan foothills of eastern India on Monday halted violent agitation to press their demands for a separate state, after Prime Minister Rajiv Gandhi agreed to meet with them.

During 10 days of protests the Gurkhas set fire to houses and government offices, attacked power stations and bridges, shot at police patrols and sabotaged telecommunications, officials said. The militants had called a 13-day work stoppage.

Three persons were killed and more than 20 wounded. State officials invoked an anti-terrorist act and arrested more than 100 members of the Gurkha National Liberation Front.

### Office Fire Kills at Least 3 in New Delhi

NEW DELHI (Reuters) — Indian Air Force helicopters saved office workers from the roof of a blazing building in central New Delhi on Monday but at least three persons died, including two men who jumped to escape the flames.

The fire spread quickly through the middle floors of the 12-story building, where more than 2,000 people worked. Military units were called in to assist firefighters. The Press Trust of India said six persons were killed and more than 30 hurt, but authorities immediately confirmed only three dead.

Office workers said some of the building's fire exits were blocked. In January 1986 a hotel fire in New Delhi killed 38 persons, including 22 foreigners, which prompted an official inquiry that raised serious questions about fire safety in the capital.

### For the Record

Two Christian Orthodox dissidents returned Monday to Moscow from internal exile under an amnesty announced earlier this month, dissident sources said. They identified the two as Felix Svetov, a writer, and Zoya Krakhmalnikova, a biologist.

A leak of sodium coolant in a prototype breeder nuclear power reactor at Creys-Malville, France, has begun again just as a fuel chamber was about to go into service after having been shut down since May 26, the French Ministry of Industry said Monday.

Leaders of Bolivia's largest labor federation said Monday that almost all unions supported a general strike called for Tuesday to protest changes in the social security system.

Fiji, which has had economic troubles since its May 14 coup, devalued its dollar by 17.75 percent Monday and forbade residents to take more than 50 percent of their money out of the country. Before the devaluation, the Fiji dollar roughly equaled a U.S. dollar. (UPI)

## TRAVEL UPDATE

### Some French Controllers Ease Strike

PARIS (Combined Dispatches) — One of several striking air controllers unions in Paris decided Monday to suspend its action until the end of the week to "let vacation departures take place normally."

The civil aviation chapter of the French Democratic Confederation of Labor, known as CFDT, said it was suspending its one-hour strikes on weekdays. There are several unions also on strike; the aviation chapter includes 16 percent of the French controllers.

Meanwhile, pilots and flight engineers of the French domestic airline Air Inter started a two-day strike Monday, adding to disruption caused by the 11-week strike by controllers. About 40 percent of the company's flights were canceled Monday. (AFP, Reuters)

A fire broke out in the restaurant car of a train Monday that was traveling from southern France to Amsterdam. No one was injured in the blaze, which was put out by firemen after the train stopped near Rotterdam. Trains from Brussels, Cologne and the south of the Netherlands were delayed. (Reuters)

An investigation into cheating at the U.S. government's school for air traffic controllers in Oklahoma has determined that some test information had been made known, although the impact of the cheating is unclear, sources say and documents indicate. (AP)

Heavy storms, strong winds and funnel clouds forced the temporary closing on Sunday of Minnesota's Twin Cities International Airport, near Minneapolis and St. Paul, forcing delays in landings. (UPI)

The U.S. Embassy in Manila said Monday that 11 Americans were aboard the Philippine Airlines plane that crashed last week killing all 50 persons aboard. (AP)

French captains and other officers working on the Dieppe-Newbury ferry service across the Channel voted Monday for a strike to start Saturday at midnight to demand tenure rights for a skipper threatened with demotion. Unions representing the officers said the skipper was being threatened because he is a union militant. (AFP)

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# In Search of Solutions to Growing Heaps of Garbage

By Philip Shabecoff  
New York Times Service

NEW YORK — As Americans discard ever-swelling masses of paper, plastic, glass and other leavings of a throwaway society, the practice of dumping garbage in landfills is on its way to becoming as obsolete as throwing it out the window for the pigs to eat.

The New York garbage scow that cannot find a home for its cargo has become a symbol of the problem of dealing with a volume of solid waste that is one indicator of affluence in which the United States continues to lead the world.

Some government officials, waste industry executives, environmentalists and others contend that the United States is facing a "solid waste crisis." Others disagree but acknowledge that the situation is serious in some parts of the country, especially large urban areas.

Officials are focusing on a number of potential solutions, including big garbage incinerators that also generate steam for electricity, and recycling programs.

A recent survey by the federal Environmental Protection Agency found that half of all U.S. municipalities will run out of landfill

space within 10 years and that a third of all municipalities will run out within five.

The experts say there is no room to dig landfills in many areas. Where sites are available, apprehension about the contamination of underground water supplies has been a deterrent. Other hazards posed by landfills include the generation of methane and other gases.

Local opposition, or what some call the "not in my back yard syndrome," also effectively blocks construction.

Environmentalists and some municipal waste managers are considering regional landfills that have impermeable liners to prevent the pollution of water, as well as monitoring for air and water pollution. Such landfills are used to dispose of

toxic waste but have been rarely used for garbage.

Each of the alternatives has economic or environmental problems, according to the experts.

Incinerators are gaining popularity. They can reduce the volume of trash by up to 90 percent, and the energy produced, which is sold to public utilities, can substantially reduce operating cost.

Big incinerators can burn 3,000 tons or more of garbage a day. But they cost as much as \$250 million to build, their construction can take five to ten years and they are often expensive to operate.

There are 100 such incinerators in use or near completion around the United States, consuming about 50,000 tons of solid waste a day, the EPA says. By 1990, the agency calculates, about 400 will be

operating, burning 250,000 tons a day out of a total projected output of about 386,000 tons.

Some environmentalists, including Barry Commoner, director of the Center for the Biology of Natural Systems in New York, contend that the incinerators produce pollution and toxic ash that make this cure for the garbage problem far worse than the disease.

Eric A. Goldstein, a lawyer for the Natural Resources Defense Council, an environmental group, said that, while incineration was necessary, "there is no federal scheme for making sure it goes forward in ways that minimize environmental risk."

He noted, for instance, that there were no standards for dangerous emissions except for dust particles.

The EPA is working on rules to solve some of the hazards of landfills and incinerators.

Mr. Commoner and many other conservationists believe that recycling is the quickest, least costly and most environmentally sound solution to the waste problem.

A number of American communities have mandatory or voluntary recycling programs, but few have been able to reduce waste by as much as 20 percent.

Public appreciation of the nature and dimensions of the problem remains deficient, those who deal with the garbage issue say.

Shella M. Prindiville of the National Solid Waste Management Association, a trade group, told of a woman in San Bernardino, California, who was asked her view of a proposed recycling program.

"Why do we need to change anything?" she said. "I put my garbage out on the sidewalk and they take it away."

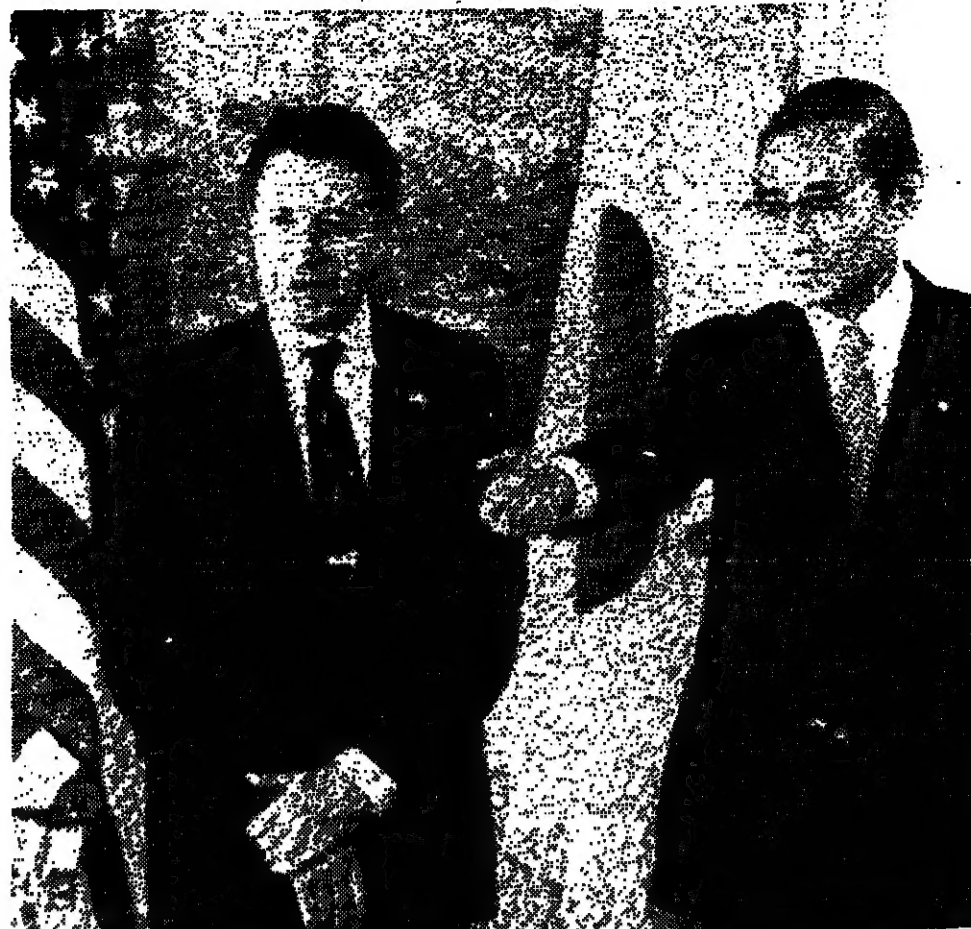
## U.S. Is Reticent On Greek Dispute

Reuters

WASHINGTON — The United States declined to comment Monday on a dispute with Greece over reports that Washington accused Athens of harboring with terrorists for protection from attack.

Charles E. Rodman, a U.S. State Department spokesman, declined to say whether the United States believed Greece had been in touch with terrorists, but said "it is our practice to share information with our allies, including Greece, on the issue of terrorism and that in the course of those kinds of discussions there are points of disagreement."

The Greek government is said to have denied charges that a deal was reached with terrorist organizations so they would not strike in Greece.



Casper W. Weinberger and the Japanese defense minister, Yukio Kurihara, in Tokyo.

## Weinberger, in Tokyo, Cites Gravity Of Toshiba Military Sale to Moscow

By Barbara Crossette  
New York Times Service

TOKYO — Secretary of Defense Casper W. Weinberger ended a visit to Japan on Monday saying he had told officials that both nations' security had been undermined by a Japanese company's illegal sale to Moscow of sophisticated equipment used to improve Soviet submarines.

But he also appeared to have offered the Japanese, embarrassed by the Toshiba Machine Company's illegal export of propeller-making machines to Soviet shipyards, a way to help undo what he called the "significant" damage.

Mr. Weinberger said before his departure for Washington on Monday that the United States and Japan had agreed to "work together with our mutual talents and capabilities and energies" to recover and maintain the edge in anti-submarine warfare.

Japanese officials said after Mr. Weinberger's departure that no concrete proposals had yet been made on how to carry out such a joint effort.

But statements made in Tokyo by officials and industry spokesmen over the last week indicate that the Japanese are apprehensive that Congress will retaliate by demanding a ban on Toshiba imports or compensation from the company.

Mr. Weinberger said Monday that getting Japanese assistance in strengthening anti-submarine capability would be a more "positive" act than demanding compensation.

The talks also included Japan's impending choice of a new generation of fighter aircraft, a multi-billion-dollar contract.

At issue is whether a new plane will be developed by a consortium of Japanese companies or bought from an American manufacturer.

Two American companies, McDonnell Douglas Corp. and General Dynamics Corp., are bidding for a contract thought to be worth more than \$6 billion to build the new plane.

A Japanese spokesman quoted the Japanese defense minister, Yukio Kurihara, as having said that "joint development is one method" and that "technical exchanges" would be important in developing the plane.

According to a Japanese correspondent who interviewed Mr. Weinberger in Washington on the eve of his trip, the defense secretary was also likely to have discussed the question of whether Japan should be doing more to contribute to the protection of shipping in the Gulf.

American officials declined to comment further on the talks.

Japan's contribution toward protection of shipping in the Gulf, an area from which much of Japan's petroleum imports come, has been a long-standing problem.

Japanese officials say the country's constitution does not allow its participation in international military operations.

A Foreign Ministry spokesman said recently that Japan did not expect Mr. Weinberger to demand immediate cost-sharing in the defense of the shipping lanes. He said that Japan had already proposed a "framework for international cooperation" in the area and that this might be the basis for Japanese-American talks.

## Trash in Massachusetts Is Reduced to Voltage

By Matthew L. Wald  
New York Times Service

SAUGUS, Massachusetts — While the rest of the United States tries to cope with a shortage of landfill space, officials north of Boston grow happier and happier with their solution: an incinerator that cuts trash volume by 90 percent without violating state pollution standards.

The commercial plant, which disposes of most of the trash from 20 towns with a combined population of more than 600,000, also produces electricity, which is now the plant's primary revenue source.

The incinerator opened in 1975, the first commercial one in the United States using a garbage-to-energy technology that is common in Europe, burning trash to boil water for electricity.

"We had to go out and beg for garbage when we started," said H. Bruce Manning, the general manager. "Now we're at capacity."

The average fee paid by the towns to the plant's operator, Signal Environmental Systems, is \$22 a ton. Landfills in the region that have not yet been filled or closed for environmental reasons charge up to \$100 a ton.

"They took a technology and made it work," said Bruce K. Maillet, director of the air quality control office of the Massachusetts Division of Environmental Quality Engineering.

He said recent tests had shown that concentrations of dioxins and furans, suspected carcinogens, emitted by the plant were under the state's guideline of 1.1 picograms per cubic meter of air. A picogram is a trillionth of a gram.

"We basically have satisfied ourselves that there is no public health hazard," Mr. Maillet said.

The plant's smokestack filters capture 99 percent of the particulates, Mr. Manning said.

There are 67 similar plants operating in the United States and 5 in Canada, with 30 under construction and 35 in advanced planning stages, according to a survey last year by the U.S. Conference of Mayors.

The garbage is loaded into giant boilers where temperatures reach 2,500 to 3,000 degrees, high enough to destroy nearly all the harmful compounds, plant operators say.

Saugus is called a "resource recovery" plant because the fire's heat is used to make steam for electricity. The steam goes to a turbine-generator.

The plant must bury the ash it produces, but Mr. Maillet said of this process, "They are landfilling a more stable material, and taking less space to do it."

The ash is less liable to contaminate water supplies, he said, and does not decompose to produce methane as garbage does.

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Netherlands Fl.	650	360	198	Fl. 1.21 Fl. 440
Norway* N.Kr.	1,800	990	540	N.Kr. 3.05 N.Kr. 1,110
Portugal Esc.	22,000	12,000	6,600	Esc. 64.56 Esc. 23,500
Spain* Ptas.	29,000	16,000	8,800	Ptas. 55.33 Ptas. 20,140
Sweden* S.Kr.	1,800	990	540	S.Kr. 3.05 S.Kr. 1,110
Switzerland S.Fr.	510	280	154	S.Fr. 1.10 S.Fr. 400
Rest of Europe, North Africa, former French Africa, Middle East	430	230	125	Varies by country
Rest of Africa, Gulf States, Asia	580	320	175	

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## Supernova Discovery Obsesses Astronomers

Reuters

LA SERENA, Chile — High in the desert hills around the town of La Serena is concentrated probably the most powerful battery of star-gazing equipment in the world.

Hundreds of millions of dollars of the most sophisticated telescopes peer out into the southern

skies every night from three international centers manned by dozens of U.S. and European astronomers. The dry skies above the Atacama Desert made northern Chile the perfect choice for the site.

Yet what has been described as the astronomical find of the century, made here four months ago, came

not through this array of modern electronic eyes but from a little-used turn-of-the-century telescope operated by an off-duty researcher.

On the night of Feb. 23, Ian Sheldon, a 30-year-old Canadian researcher, trained his "museum piece" on the Magellanic Cloud,

which is visible only from the southern hemisphere.

"I was just testing the machine to see what it could do, so I pointed it at something that was already well-known," he said at Las Campanas Observatory, about 375 miles (560 kilometers) north of Santiago.

But when he developed the plates from the photographic telescope, he found a bright light that had not appeared in pictures taken over previous days.

It was the light from a giant exploding star, a supernova, whose discovery has dominated the attention of astronomers ever since.

The supernova, which is likely to bear his name, was the closest to Earth to be spotted in 400 years and so bright that it remains visible to the naked eye.

"It was a little like witnessing what must have happened in the first few moments of the formation of the universe," said Cristian Stefano, an Italian astronomer.

"The extreme conditions of heat and pressure," he said, "could never be reproduced on earth. It has been a test laboratory for the nuclear theorists."

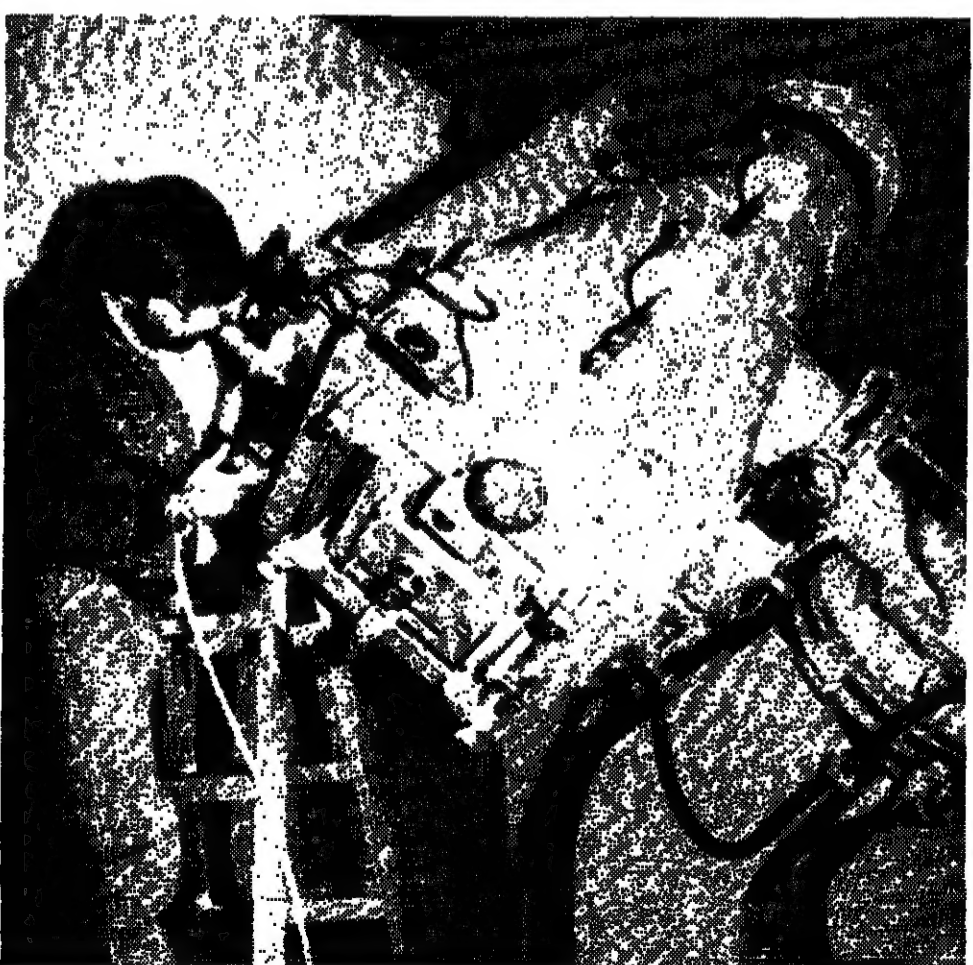
The vast explosion spotted by Mr. Sheldon occurred 50,000 years ago, but the light it generated only began reaching earth in February.

The star is hundreds of trillions of miles from Earth, which is close for an astronomer. The speed of light is 186,000 miles a second.

As its light begins to fade, scientists are still attempting to resolve questions raised by the celestial superstar.

The supernova was slow to reach maximum brightness, which normally occurs in hours but this time took three months.

Robert A. Williams, a U.S. astronomer, said explanation appeared to lie in the fact that the star, with eight times the mass of the sun, was very compact and that this had delayed the release of the erupting energy.



Ian Sheldon and the "museum piece" telescope he used to discover a giant exploding star.

## Founder of Subud Movement Dies in Indonesia

Reuters

UNITED NATIONS, New York — Muhammad Subud Sumadhiwijoyo, 86, founder of the Subud spiritual movement, died June 23 in his native Indonesia, adherents of the movement here have reported.

Mr. Sumadhiwijoyo, known as Bapak or "father" to his followers, established Subud in 1947, several years after experiencing a series of what he described as spiritual revelations.

Subud, which has no dogma or formal organization, is monotheistic, holding that the deity is incomprehensible to the human mind.

Boudleaux Bryant, 67, Of Songwriting Team

KNOXVILLE, Tennessee (UPI) — Boudleaux Bryant, 67, who with his wife, Felice, composed the unofficial Tennessee anthem "Rocky Top" as well as such hits as "Bye Bye Love" and "Wake Up Little Susie" for the Everly Brothers, died of cancer here Thursday.

Last year the Bryants were inducted into the National Songwriters Hall of Fame. Their other songs included "All I Have to Do Is Dream," "Wake Up Little Susie" and "Bird Dog," all best known as Everly Brothers hits.

The guitarist Chet Atkins, a close associate of the Bryants since 1951,

said Mr. Bryant was named after a Frenchman who saved his father's life during World War I.

Jacob Sapirstein, 102, Greeting Card Magnate

NEW YORK (NYT) — Jacob Sapirstein, 102, founder of American Greetings Corp. of Cleveland, a major maker of greeting cards and related products, died Wednesday at his home in University Heights, Ohio.

Mr. Sapirstein, a Polish immigrant, founded the company in 1906, selling postcards from a wagon. The family-run enterprise grew into a \$1 billion business with 23,000 employees.

Elizabeth (Libba) Cotton, 95, Blues and Folk Song Writer

SYRACUSE, New York (AP) — Elizabeth (Libba) Cotton, 95, who wrote the classic song "Freight Train" when she was 11 years old and who won a Grammy Award in 1985 for a collection of blues folk songs, died here Monday of surgery following brain seizure.

### DEATH NOTICE

A memorial service for George Beach Mayberry Distinguished Professor Emeritus will be held on Saturday, the eighth of July, at eleven o'clock in the Chapel of Santa Corona, Vicenza, Italy.

July 1, 1987





### A Cordial Reunion in Beijing

Jimmy Carter and China's leader, Deng Xiaoping, embraced Monday as they met in Beijing, where Mr. Carter was on a private visit. The pair recalled their roles in ending the long diplomatic freeze between China and the United States in 1979. "One of the great benefits to our nation has been normal relations with the great nation of China," said Mr. Carter. Mr. Deng spoke of his gratitude for the "extraordinary" reception he received from Mr. Carter during a trip to Washington in 1979.

## U.K. Clears Way for EC To Resume Ties to Syria

**BRUSSELS** — Britain has dropped its opposition to the European Community improving relations with Syria, clearing the way for resuming high-level diplomatic contacts with Damascus after a seven-month break.

London asked for a ban in November after accusing the Syrian government of involvement in terrorism.

British officials, at the EC summit meeting in Brussels, said Monday that the ban was likely to be dropped at a meeting of EC foreign ministers in July in Copenhagen.

"Britain will not stand in the way of its partners, who feel it is time to start talking to Syria again," an official said.

The ban was the most important element in a package of sanctions against Syria for its alleged role in an abortive plot to blow up an Israeli airliner in London in April 1986.

The move toward lifting the ban coincided with a decision by the United States, which had also distanced itself from the government of President Hafez al-Assad, to send a senior envoy to Damascus.

A British official said Britain did not intend to renew its own diplomatic relations with Damascus.

Broken off in October after a Jordanian was convicted of trying to smuggle a bomb aboard an El Al jet in his suitcase with the help of Syrian agents.

The official said London accepted that Mr. Assad had taken some limited steps to distance Syria from international terrorist organizations and cited the recent closing of the Damascus office of Abu Nidal, a Palestinian guerrilla leader.

But he said the Abu Nidal faction was still present in Syrian-controlled areas of Lebanon.

## Hard Times for Paradise Islands in Pacific

By Nicholas D. Kristof  
New York Times Service

**NUKUALOFA, Tonga** — This is the kind of South Pacific paradise that most people would love to be marooned in: lovely beaches, bananas and coconuts available for the picking.

But Tongans are leaving. When New Zealand relaxed its visa rules in December, 5 percent of Tonga's population fled there in the space of a few months.

That remarkable exodus from the Polynesian island group of 100,000 inhabitants reflects the growing realization that many South Pacific islands are economic anachronisms, abounding in sun and friendliness but having little on which to build a future.

"When people talk about the rise of the Pacific rim," said Epeli Hau'ofa, a Tongan sociologist who has left his native country to teach in Fiji, "they mean the U.S., Japan, the U.S.S.R., Australia. We in the islands are left out of it."

There is little doubt that the Pacific is gaining on the Atlantic as a center of economic and political might. Already, trans-Pacific trade exceeds trans-Atlantic trade, and the high growth rates in Japan, South Korea and nearby countries have prompted talk that a "Pacific century" is dawning.

But the ships and planes and capital that travel among the Pacific economic giants never stop at Tonga or Fiji or any of the other palm-lined specks in the ocean. Indeed, it seems that just as prospects have never looked better for the major Pacific nations, they are looking increasingly bleak for some island groups.

The bloated stomachs of malnourished children on islands such as Vanuatu belie the image of paradise. And some experts say this may be the region of the developing world with the worst long-term prospects. Africa faces immense

challenges, but it has resources that might eventually provide an economic foundation.

The South Pacific, on the other hand, seems to face built-in problems. Already the island nations receive more foreign aid per capita than any other region in the world. Many economists, diplomats and international aid officials say that

But the islands lack the means to enter an industrial economy. Increasingly, islanders want medicines, radios, bicycles, books, toilet paper and other modern goods. These must all be imported, at least by the small islands, yet there is little that the islands can sell on the world market.

Some sell agricultural products,

Walter Hadye Lini, said in an interview, referring to Pacific islands in general. "If we are not careful, we will continue to rely on aid instead of developing a few resources we have."

Vanuatu, Papua New Guinea, Fiji and a few other island groups are lucky in that they have some natural resources. Vanuatu, for example, is mining for gold.

Others are dependent on mother countries — France for New Caledonia and French Polynesia, for example, and the United States for American Samoa and parts of Micronesia — and many residents see nothing wrong with maintaining that dependency indefinitely.

But in many places the economic constraints are driving young people away. They feel claustrophobic on small islands and want to pursue careers in larger communities.

The result deprives some islands of their most talented young people. The exodus has been most pronounced from small atolls whose citizens do not need visas to go to a mother country. The tiny Polynesian island of Niue, for example, is home to only 2,500 people, and the population is declining by more than 4 percent a year.

— Walter Hadye Lini,  
Prime minister of Vanuatu

the small island nations are destined to endless dependency on other countries and that they may never emerge from the international welfare rolls.

"There is no possibility of creating a viable economy on these islands — none," said David Routledge, a historian who teaches at the University of the South Pacific in Fiji.

The islands were well suited to a subsistence economy, because the natural barrier of water afforded protection from enemies and because the climate and often fertile soil produced food in abundance.

postage stamps and fishing rights, in addition to seeking out tourists. But there is usually a big gap between the hard currency coming in and the sums that are needed. On the Cook Islands, for example, imports are usually about four times as much as exports.

Usually islands make up for these gaps with foreign aid. The three coral atolls of Tokelau, with a population of about 1,600, get 80 percent of government revenue from grants from New Zealand, for example.

"Today we exist mostly on aid," the prime minister of Vanuatu,

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### Dutch Raise Funds for ANC

**THE HAGUE** — Dutch anti-apartheid activists have raised one million guilders (about \$500,000) for the African National Congress, the banned rebel group opposing the government of South Africa, a spokesman for the Dutch Anti-Apartheid Movement said Monday. The ANC would receive 600,000 guilders to spend as it sees fit, and most of the rest would go to help refugees, the spokesman said.

## In Sri Lanka, a Lethal Standoff

### Tamil Rebels, Government Leaders See No End to Violence

By Francis X. Clines  
New York Times Service

**COLOMBO, Sri Lanka** — The Tamil rebellion in Sri Lanka has settled into a lethal standoff, with both sides indicating they believe the violence will continue indefinitely.

Guerrilla leaders acknowledge that the government's recent military offensive has won control of Vadamarschi Peninsula, a logistical beachfront of the Tamils in the northeast corner of this island nation.

"It was a formidable force and we had to withdraw," said Anton Balasingam, spokesman and strategist for the Liberation Tigers of Tamil Eelam, the main guerrilla group, which still holds the far larger Jaffna Peninsula, which the government has been unable to subdue.

"They're sitting ducks for counter-offensive," he said of the troops holding the 35-mile (55-kilometer) long Vadamarschi strip that had included a principal arms depot of the Tamils.

The Tigers are leading the battle for a separate homeland for the Tamil minority of 3 million, which is well outnumbered by the 13 million ethnic Sinhalese who control the government.

Facing a military stalemate and an unresponsive Tamil populace, the government has had to post thousands of troops in the Tamil north. This past weekend, it began talking of "picking up the shreds" of the unraveled negotiation process, but there were no substantial attempts evident on either side.

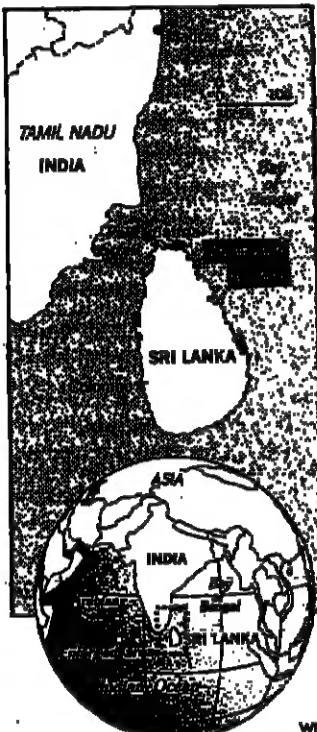
Instead, the Tigers were vowing to resume guerrilla attacks soon, after the latest relief shipment of food is distributed from India, the Tamils' major ally in their centuries-long campaign.

The Sri Lankan government said that it was building a string of forts in the north to buttress a newly announced attempt to hold by-elections and refill the Tamil seats in Parliament, which were vacated by moderates earlier.

But such leading Tamil moderates as Neelan Tiruchelvam, spokesman for the Tamil United Liberation Front, said this was a propaganda gesture designed more for world opinion than for Tamil reconciliation.

"It's alarming that there is still no clear idea of the casualties," he said of the offensive in an area where journalists have not been allowed to move freely.

The government's insistence that only 50 civilians were killed in the two-month-old offensive is widely doubted. The Tigers say the toll is



more than 500, while other government sources estimate 200.

Both sides are appealing increasingly to world opinion as the Tamil refugee population grows in major Asian and Western countries. The Tamils are decrying what they call genocide, while the government's minister of national security, Lalith Athulathumudali, is now in the United States asserting that the Tamils engage in "narrow-terrorism."

This accusation of extensive dealing in heroin by more thuggish guerrilla bands has not yet been demonstrated. To the contrary, Mr. Balasingam, the guerrilla leader, says that the main effect of the government offensive has been to show that the Tigers are "a legitimate resistance movement with the active support of the civilians, and we can't be wiped out."

The conflict, marked by atrocities attributed to both sides, is rooted in a long, seemingly endless era of ethnic enmity. The Tamils

chafe under what they call a colonial level of human rights abuse by the government.

The clash stepped up after negotiations toward greater Tamil autonomy broke down last winter amid terrorist incidents that left scores of Sinhalese civilians dead.

The government's offensive with a military of 20,000 has involved helicopter gunships, aerial bombs, and a minimum of 300 civilian and combatant deaths.

In seven years, more than 5,000 Sri Lankans have died in guerrilla fighting, government reaction, and ethnic vendetta.

Government officials insist that their investment in mercenary assistance has been exaggerated. They said they occasionally hired fewer than a dozen "retired" military specialists as training instructors from Britain, Israel, and the United States.

A contingent of three American "soldiers of fortune" train Sri Lankan troops in "jungle endurance" at an old race track in Katukurunda, 25 miles from Colombo, according to Tilak Ratanakara, the government spokesman.

The Israeli instructors were not government counterintelligence experts, as rumored, he said. They constitute at the most three retired officers whose specialty in blitz-like response to guerrilla attack has thus far proven ill-suited to Sri Lankan terrain, Mr. Ratanakara said.

India is concerned that Sri Lanka might turn to Pakistan for military aid. But Mr. Ratanakara said that there was no arms aid, only annual training of a small number of Sri Lankan officers in Pakistan.

One question undefined lately by Amnesty International is the fate of thousands of young Tamil men rounded up in the offensive. The government insists that 2,400 were arrested and that all but 700 have been released.

Mr. Tiruchelvam, of the Tamil United Liberation Front, says that the number may be far higher but is difficult to ascertain because the army has begun warning families not to file affidavits on the missing.

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### Sandoz to Pay Damages For Dye Leak in Italy

**PALAZZOLO MILANESE, Italy** — Officials at Sandoz Ltd. announced Monday that the Swiss-based chemical group would pay compensation for damages caused by a chemical cloud that leaked from its factory in this northern Italian town near Milan on Saturday.

Doctors ruled out possible health hazards from the chemicals, which leaked from a dye mixture container, covering residents with blue, red and green spots. The spots damaged clothing, spoiled produce, and caused panic among residents, who recalled the dioxin spill in nearby Seveso in 1976 that killed hundreds of animals and made people ill.

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# Herald Tribune

Published With The New York Times and The Washington Post

## The Candidates on SDI

### Republican 'Theology'

SDI, the Strategic Defense Initiative announced by President Reagan in 1983, is one issue that separates the presidential candidates of the two parties. The Republicans say they are for it, the Democrats say they are against. But there are differences of nuance and detail between the candidates that could end up making a difference in the next administration.

For the Republicans, SDI is a theological issue: The candidates are trying not so much to persuade those who are ignorant or uncertain as they are to prove to true believers that their faith is stronger and purer than any rival's. So they argue about who loves space defense most — though, fortunately, they do not succumb to the temptation that has afflicted the president of describing SDI as a leak-proof defense against every missile aimed at the United States.

Alexander Haig, the former secretary of state, favors research on SDI, but thinks that full protection of populations is at least 15 years away. The Reverend Pat Robertson favors SDI, but does not have a fully detailed position yet. Vice President George Bush says America must "shift away from offensive retaliation toward greater reliance on strategic defenses," and "must resist the anti-intellectual temptation to cut off the research, development and testing." But he admits that "we don't yet have all the answers" — in other words, we don't know

whether space defense can ever work.

That leaves him vulnerable to Representative Jack Kemp of New York, who has faith that it can, and urges immediate testing and deployment, which the administration has not yet advocated. Bob Dole, the Senate Republican leader, has let the Republicans fight in the Senate to keep the Democrats from barring the administration from testing without further congressional approval. But he does not gush with praise for it as readily as Mr. Kemp or Pierre du Pont, the former governor of Delaware.

They speak with an optimism about SDI technology that is attractive but has not yet been vindicated by results. You get the sense that Jack Kemp and Pierre du Pont have a faith in SDI that will lead them to emphasize it in a general election and push for it in an administration more than George Bush or Bob Dole would.

Any Republican administration will probably move ahead at least with measured research, which is a good idea; the questions are whether they would go ahead with testing and deployment, the case for which is anything but compelling, and whether they would be willing to include space defense in a negotiation. Campaign rhetoric does not give completely reliable answers to these questions, but the difference in degree of passion about the program suggests who would be more and who less likely to use SDI for bargaining purposes.

— THE WASHINGTON POST.

### A Target for Democrats

If the Republicans vie to prove their faith in "SDI," the Democratic candidates vie to prove their lack of it in "star wars." Speaking (especially in downstate) to audiences suspicious of every Pentagon initiative, they ridicule space defense, adducing boomerangs to make the serious arguments that underlie their jibes. "Our children," says Michael Dukakis, the Massachusetts governor, "don't deserve wars in space; they deserve peace on earth." Senator Joseph Biden of Delaware proclaims that "the next president will preside over 'star wars' or an arms control agreement." The Republicans argue with some merit that it was the prospect of SDI that got Moscow to the bargaining table.

"After 'Star Wars,'" said Bruce Babbitt, a former governor of Arizona, "is a sequel called 'The Empire Strikes Back.'" "It doesn't make sense to build an Astrodome," says Representative Richard Gephardt of Missouri. Mr. Babbitt believes any gain in defense can be overcome by Soviet advances in offensive weapons; Mr. Gephardt believes that SDI would be so destabilizing it should not be deployed even if it works, though he doubts it will, and that SDI spending could distort the entire military budget; Senator Albert Gore of Tennessee thinks it is destabilizing, is against all testing and believes that it could be bargained away for useful concessions from the Soviets; the Reverend Jesse Jackson is against testing and deployment, and he opposes research that would have military application; Senator Paul Simon of Illinois thinks the idea is "fatally flawed."

Interestingly, none of the Democrats carries his score for this program to the point of shutting down research altogether. And the amount of research the Democrats talk about is not negligible. The numbers are these: The administration recommended \$5.7 billion for 1988, the Senate Armed Services Committee has voted \$4.5 billion, and the House voted \$3.1 billion. No one can say what such a program will produce or should cost, but our sense is that the House and the Senate are near the right place and that most of the Democratic presidential candidates are not far off.

That leaves the Democrats in a fairly reasonable place on SDI: skeptical of the boomerangs, properly worried about destabilization, but willing to fund some considerable research and ready to bargain in return for useful concessions from the Soviets. Though you would not know it from the rhetoric, that is not far from where some of the Republicans end up on the issue too.

— THE WASHINGTON POST.

## A Model Conservative

When President Nixon named Lewis Powell to the Supreme Court 15 years ago, he was determined to reverse the previous 15 years of Warren Court liberal activism. Four Nixon appointments did not a counter-revolution make, thanks in part to Justice Powell's balance and moderation.

Quiet, courtly but with forceful intellect, Justice Powell has helped move the court in a responsibly conservative direction. To his credit, he was unwilling to ride roughshod over precedents just because he disagreed with them. If that is judicial restraint, may his retirement, announced Friday, lead to more of the same.

President Reagan and his supporters have, even more than Mr. Nixon, lusted to capture the federal judiciary for their philosophy. That may be tempered by the Democratic control of the Senate and its Judiciary Committee, which must pass on nominees. That is fortunate for moderation because the ideological "main targets are the very 'social agenda' issues on which Justice Powell took firm progressive positions.

He drew sharp lines against government aid to parochial schools, thus confounding true believers. He wrote eloquently on the need for cautious affirmative action, to integrate student bodies and the work force, and to give them more variety. He supported a woman's right to choose abortion and, with

characteristic symmetry, delivered the court's opinion denying the right to have the state pay for it. Justice Powell rarely voted to expand defendants' rights in criminal cases but he joined a consensus holding to the basic Miranda rule that arrested persons must be warned of what rights they have.

Lewis Powell was a successful Virginia lawyer who rose to the presidency of the American Bar Association. He led the bar to sponsor vital legal services for the poor. Mr. Nixon had to twist his arm to accept the Supreme Court nomination in 1971 after other candidates had just with stiff opposition. Then 64, Mr. Powell originally planned to serve only 10 years. Now, at 79, he has richly earned his retirement.

His service challenges Mr. Reagan to name a qualified, balanced, collegial successor. That is reason to hope that Orrin Hatch, the combative senator from Utah, was right to predict that he will not be chosen. His nomination could sharply divide the Senate and the country by testing a constitutional hurdle to appointment: the provision that no legislator can be named to an office whose pay was increased during his term. Congress recently raised judicial pay. Beyond that, there must be available conservative lawyers who are better qualified by temperament. Lewis Powell is an admirable model.

— THE NEW YORK TIMES.

## Other Comment

### In Seoul, Signs of Maturity

The opposition has scored a clear victory in South Korea. Roh Tae Woo, the designated successor of President Chun Doo Hwan, has responded favorably to all its demands in an eight-point manifesto offered by the ruling party. This is born of the hope that the country will come out of its grave governmental crisis and move toward something other than military dictatorship.

After the great success of the peace march organized by the opposition on June 26, the government could no longer pretend to ignore the will of the majority. After two weeks of violence, its back was against the wall. It had a choice between still more brutal repression (which Washington openly advised against), with the risk of a popular uprising which that entailed, and accepting

the evidence by giving in to the demands of an opposition it had underestimated. The second solution, evidently, has been chosen. But some questions remain: Are President Chun and his longtime ally locked in a struggle for power? Have the army chiefs given their support to Mr. Roh's initiative? How much weight did Washington carry in urging dialogue with the opposition?

It is too soon to answer these questions. But if the liberalization process gets under way with Mr. Roh serving as its linchpin, his authority is sure to be greatly enhanced and the middle classes will be tempted to give him their votes, once again isolating the radical wing of the student movement. In this case, the Koreans would have demonstrated a political maturity on a par with their economic performances.

— Le Monde (Paris).

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## OPINION

## Moscow Is Serious About Radical Reform

By Thomas H. Naylor

DURHAM, North Carolina — The biggest obstacle to Mikhail Gorbachev's sweeping economic reforms is not political ideology but the

inexperience of Soviet managers in decentralized, market-oriented planning and management. To help him de-Stalinize the Soviet Union and open a closed society, Mr. Gorbachev has turned to a sophisticated team of five high-level economic strategists headed by Abel Aganbegyan. Their strategy calls for nothing less than a systematic assault on the centrally planned economy, the self-serving Communist Party, the inflexible bureaucracy, the military and the KGB. As one member told me recently, the complete dismantling of the monolithic Soviet planning agency, Gosplan, "is the only way to save socialism."

This team works closely with the new rector of the Academy for the National Economy, Yevgeni Smirnovsky, to recruit senior-level Soviet bureaucrats to the new way of thinking. Ministers, deputy ministers, and heads of the largest enterprises are brought to the Academy for an intense executive development program of seminars, role-playing and computer gaming.

Mr. Smirnovsky said that many of these training sessions are open to the press, and they often result in "stormy, heated debates." Discussion topics include decentralized planning, participatory management, property rights, international trade, economic theory, computer technology and scientific management.

To gain new perspectives, all managers are tem-

porarily reassigned to a ministry other than their own. They also spend two weeks abroad observing how other socialist countries have handled reforms. The academy works with the Education Ministry to coordinate the work of 60 management training institutes — an effort to introduce middle- and lower-level bureaucrats to the new objective.

No one in Moscow claims that this aggressive management development program is a panacea that will eliminate all opposition to Mr. Gorbachev's reforms. Indeed, nothing could be further from the truth. But it does represent a creative attempt to confront the culture of the largest zak-fre society in the world.

Soviet managers now have access to a network of private management consultants, including members of Mr. Gorbachev's strategy team, who are being encouraged to gain practical experience by consulting with state-owned enterprises.

Last month, a private American management consulting firm began operations in Moscow amid considerable fanfare in the local press. Soviet economists can now be paid as private consultants to state enterprises and government ministries. From the initial response of economists to these new developments, private management consulting may soon become a high-growth industry in Moscow.

According to Professor Valery Malakov, a key member of the strategy team, additional re-

forms, even more radical, are on their way. A new law on intellectual property will permit Soviet scientists to earn patent royalties on their inventions. Inventors will be allowed to start their own private businesses or go to work for higher paying Western joint-venture companies that license their inventions. Can it be that Soviet high-tech entrepreneurs may be just around the corner?

Leonid Abalkin, the new director of the Institute of Economics, has indicated that starting in January, financial and banking reforms similar to those in Hungary and China will gradually be introduced in the Soviet Union over a three-year period. They will include creation of new financial institutions, introduction of capital markets, application for membership in the World Bank and the International Monetary Fund and eventually introduction of flexible exchange rates.

When Mr. Gorbachev repeatedly called for "radical reform" in his Feb. 25 speech to the Communist Party Congress, we were told by American Sovietologists that this was merely political rhetoric and that nothing had changed in Moscow. I believe that Mr. Gorbachev meant exactly what he said. The name of the game is indeed radical reform, and it is no longer in our self-interest to continue pretending otherwise.

The writer, professor of economics and business administration at Duke University, and author of a book on Soviet reform, recently returned from Moscow. He contributed this to The New York Times.

## A Tough-Minded Candidate Still Needs a Tender Heart

By George McGovern

WASHINGTON — As the United States approaches another presidential election, the political commentators are again telling us what qualities the people are looking for in a candidate. High on the list is "toughness." Recently I heard a guest

commentator on the Voice of America explain that if the Democrats are to recover the White House they must select a "tough" candidate like Harry Truman, John Kennedy or Lyndon Johnson — all winners — and not a "preacher" like Adlai Stevenson, Hubert Humphrey, George McGovern or Walter Mondale — all losers. He said Jimmy Carter was a special case — a "preacher" who won, but only because the country wanted an antidote to Watergate.

When I hear such certain analyses about American politics, I recall H.L. Menckle's response to a similar observation. "There is something in what you have to say, but not much." "Toughness" is obviously a desirable quality in a contender, but that depends on how you define it. "Toughness" is one of those all-encompassing words like "realistic" that depends on the eye of the beholder.

By my lights, the half-dozen great presidents were Washington, Jefferson, Jackson, Lincoln, Wilson and Franklin Roosevelt. And by my definitions they were all "tough" and all great "preachers." But can "toughness" and "preacher" be lodged in one man? Certainly.

The Reverend Martin Luther King

Jr. was fond of the biblical text "Be ye therefore wise as serpents and harmless as doves," which to him was an injunction to be "tough-minded and tender-hearted." That is my view on presidential toughness — the capacity to make judgments with a "tough mind and a compassionate heart guided by a sense of moral purpose."

Toughness is often confused with the hawk side of the doves vs. hawks debate. But it has generally seemed to me that the so-called hawks were the more soft-minded people while the doves were generally of the more tough-minded, realistic breed.

I think the people who led America into Vietnam did not make tough-minded judgments about the realities and historical circumstances of Southeast Asia. They offered more pretexts than hard-headed analysis.

To be more current, I think the nation has been led for the past six and a half years by an amiable man whose judgments are often soft-minded. Sometimes he seems to have returned the biblical admonition as interpreted by Dr. King so that it becomes "Be ye therefore soft-minded and tender-hearted." I prefer the King formula.

The toughness candidate for my party in 1988 will be the one who most clearly understands that we are on a dangerously soft-minded course. There is little toughness in a leader who looks at the nuclear arms race in the 1980s and concludes that what America needs is a major buildup of nuclear weapons and the expendi-



Coming soon to the Gulf

ture of \$1.5 trillion for "defense."

There is no mental toughness in a leadership that permits America to double its national debt and move from the world's leading creditor to its leading debtor in six years.

There is no toughness worthy of the name in a leader who looks at Central America's desperate need for doctors, teachers and agricultural experts and instead sends arms to discredited mercenaries.

There is no toughness in a leader who claims to be the enemy of terrorism and then secretly sells arms to Iran. There is neither tough-mindedness nor tender-heartedness in a school which calls for cuts in the school lunch program while pressing for the "star wars" system.

A presidential contender with a

tough mind and a tender heart will be committed to a reversal of the arms race, an improvement in U.S.-Soviet relations, a termination of military operations in Central America and a much greater effort to reduce the federal deficit and improve the quality of life in the United States.

To be tough today is to recognize that while America will always need an adequate military defense, most of the dangers and opportunities that confront it are economic, political, diplomatic and moral. A larger arms race with a larger federal deficit will further weaken the capacity to meet the central challenges of our time.

The writer was the Democratic presidential candidate in 1972. He contributed this to The New York Times.

## Criticizing SDI May Be Popular, but It Isn't Logical

By Gerold Yonas

SAN DIEGO — The Strategic Defense Initiative was developed to find out if emerging technologies could be used as a way of eliminating or significantly reducing the threat posed by nuclear-tipped ballistic missiles. The plan was, and still is, to develop enough of a factual basis concerning the cost and effectiveness of a defense system so that an informed decision can be made on whether to proceed with the next logical step: engineering development.

So why are we being inundated with editorial opinions expressing the view that SDI cannot work and will bankrupt the country in the process? At a time when Washington is reluctant to match Moscow's commitment to strategic offense, the Soviet Union continues to make large investments in developing and deploying means to protect itself from air and missile attack. With no U.S.-deployed missile defense, the future possibility of Soviet strategic superiority is of increasing concern.

SDI critics point to the 1972 anti-ballistic missile treaty as a symbol of U.S. commitment to deterrence, not through protection but through retaliation at lowered levels of offense. But the treaty has never provided the reductions in offensive forces that were fundamental to its acceptance. It is becoming less clear that U.S. retaliatory forces and the ABM treaty will continue to deter lesser nuclear attacks, or non-nuclear forms of aggression, or the threats of the same.

Would it not be safer to create defenses to deny the military value of a pre-emptive strike, as well as to provide more protection? Would it not be wiser to create real doubt in the mind of an attacker as to the futility of an attack as well as to retain the emphasis on instilling fear of certain and effective retaliation?

Soviet Union is far more vulnerable when the United States is dealing from strength rather than weakness. What

greater strength does the West have than that of its vigorous and rapidly changing technology driven by an open and competitive free world?

But does this technology really offer the leverage, or is it just a fanciful projection that might exist only in the distant future? Predicting the future of technology is often harder for the people closest to the problem, because they see immediate barriers and tend to miss the answers that come unexpectedly from new directions. Recent advances in high-temperature superconductors are a good example of this.

For SDI, many of these surprises have happened since President Reagan's speech in 1983, but the surprises have come not from beam weapons or missiles but out of the field of computers — the brains of any deployed SDI system — and the sensors — the eyes of the system. The information revolution is propelling us into a new world of increasingly widespread knowledge. The key to a safer and more secure tomorrow is to harness the power of this knowledge.

I cannot predict with accuracy the outcome of the critical SDI experiments now under way. But many of the necessary elements of a defense system have been shown to be feasible, and I am convinced that we can resolve the outstanding issues one way or the other with a vigorous program.

Obviously that comprehensive program will be expensive and will take time. But it will only cost more and take longer without a national consensus to pursue the program objectives in an orderly and consistent manner. SDI deserves a determined effort. It is the only logical thing to do.

The writer formerly served as chief scientist and acting deputy director of the SDI Organization and now is president of Titan Technologies. He contributed this to the Los Angeles Times.

## Yes, Delors Should Resign — Unless . . .

By Giles Merritt

BRUSSELS — Yes, Jacques Delors should resign from his job at the head of the European Community if the EC leaders now meeting here refuse to heed his warnings.

The community is heading for the rocks, and Mr. Delors' resignation would be the sort of dramatic gesture that could yet save it. Brussels has been buzzing with speculation about the possibility that Mr. Delors, who has been president of the European Commission for two and a half years, may step down a full 18 months before his term is over. He is reported to have become so angry and frustrated over European governments' refusal to tackle the EC financial crisis that he is threatening to quit. It could be that only such shock tactics as a walk-out by the president and some senior members of the European Commission can bring the member states to their senses.

The EC Commission is caught in an absurd cross fire. On the one hand, member governments berate it for operating a "profligate" community budget that is sinking ever deeper into the red, thanks to runaway farm subsidies that absorb about 75 percent of its funds. On the other hand, most EC governments refuse to listen to even the most cautious of the commission's plans for curbing these subsidies.

When Mr. Delors took over as president of the commission it was with the intention of putting an end to such nonsense. He gave up his position as finance minister of France to take the job, and made it

plain that he intended to tackle Europe's problems head-on.

Even before he arrived in Brussels he demonstrated an impatient, authoritative style that promised he would quickly wrest back to Brussels much of the political power his predecessors had allowed the member governments to grab. Mr. Delors cut through the traditional haggling over which portfolios should be handled by which commission member. On the basis of ability rather than nationality, he high-handedly assigned responsibilities to each.

He is autocratic and at times abrasive. He rules over his fellow commissioners with a rod of iron, and his growing number of admirers claim that he is well on his way to joining the EC's select band of "Great Europeans." His name, they say, could rank alongside founding fathers like Jean Monnet and Robert Schuman, and such redoubtable figures as Walter Hallstein, the EC Commission chief who 20 years ago dominated policy making in Europe.

Yet Mr. Delors has not re-established the commission as the dominant political institution in the EC. He has not been able to breathe new life into its overpaid and under-stretched bureaucracy.

And to his own undisguised irritation, Mr. Delors has failed to hammer home the simple message that governments can only take out of the EC budget what they put in. Six months ago he proposed a new fund-

ing system that would be fairer and would refloat the community's bankrupt finances. Each member state would pay 1.4 percent of gross national product (instead of the same percentage of value-added tax receipts, as is now done). That would swell the budget by almost a third, to about \$60 billion a year.

Most European governments have reacted with horror, even though the budget hike would permit some badly needed industrial policies. The result is deadlock, with no likelihood of a deal at the current meeting. A financial crisis looms.

The hall is now in Mr. Delors' court. He can choose to precipitate a first-class political furor by resigning — flanked, we would hope, by many of his fellow commissioners — or he can swallow his anger.

The complicating factor is that Mr. Delors also nurses ambitions of being the next president of France. If he were to quit his EC post, would that strengthen or weaken his claim on the Elysée Palace? Mr. Delors' own staff members are playing down the possibility of his resigning, so this may join the list of five or six previous occasions in his career when he has threatened to quit.

This time, though, Mr. Delors should go ahead. The EC is caught in a vicious circle, and the first victim is proving to be Europe's fragile unity. Jacques Delors should place his resignation on the table — together with a list of the farm and budgetary reforms that would induce him to withdraw it.

International Herald Tribune.

## A Caution: 'The Tyrant Still Lives'

By Flora Lewis

PARIS — A French critic called the Soviet film "Repentance," which won the special jury prize at the Cannes Film Festival, "socialist surrealism." Indeed it is an intriguing, in many ways perplexing and even troubling insight into what is now going on in the Soviet Union.

Mikhail Gorbachev's efforts to move his country away from the deadly, boring, flat-footed lies of socialist realism in the economy will probably have to face some of the eerie barriers conjured in the film.

Ostensibly it is the story of Varlam, a tyrannical small-town mayor with a vicious sense of black humor. On his death, torrents of grief gush from his intimidated and mesmerized townspeople. But one woman, whose family was victim of his terror, is determined to expose his evil. Her method is to keep digging up his corpse to haunt his heir, finally forcing the son to recognize the horror on which pride was based.

It is the story of Stalin, told in fantasies and nightmares, filmed in Stalin's native Georgia by a Georgian director, Tengiz Abuladze, with Georgian actors speaking Georgian. After the Cannes festival, it was shown at the Soviet Embassy here, and on the occasion Mr. Abuladze made a point of thanking Eduard Shevardnadze, who was Georgia's Communist Party chief before he became Mr. Gorbachev's foreign minister, for permitting him to make it. That was in the waning days of the Brezhnev era. Censors banned release until this year, when it was shown at jammed theaters in Moscow and now in the West by Sovfilmexport.

Technically, it leaves as much to be desired as some other Soviet exports. It is archly arty, with long, heavy silences and dark scenes so literally dark that nothing can be seen. That may be an overreaction to the years of total constraint on aesthetic form, and it seems dated. Some passages are hilarious, the satire is savage, the ending surprisingly earnest.

But it has to be taken in Soviet terms as another revelation of the extraordinary social, psychological, and moral landscape Mr. Gorbachev must shake and move if his attempts at reform are going to get very far.

The director said he was trying to "generalize" his central character, and so gave his dictator Hitler's moustache, Mussolini's black shirt and pouter-pigeon strut, Beria's pince-nez, as well as Stalin's boots and glittering dark eyes. But to Russians, this is not just cinematic pastiche.

As an elderly Soviet political commentator said in Moscow, the suggestion is breathtaking that Russians are invited to see their own deformed dictator in the same light as the fascist leaders who fought their country. To the extent that the Soviet Union has de-Stalinized, it was still never whispered there that the regime had something in common with its enemies.

Further, the Russian editor expressed his surprise that the film was accepted in Georgia, where the Stalin cult remains. "Of course," he said, "it was made by Georgians and it tells of the sufferings and the sacrifices of the Georgian people. That is probably why they weren't offended."

But clearly much more is meant by the director's remark at his trial for grave robbing and disturbing the peace than that the tyrant "is still alive." The allusion is not made specific. Yet for Russian audiences it has to imply that the spirit of dictatorship, the tools of repression, the arbitrary, mindless violation of decency and resistance to humane appeal remain on the scene.

On the other hand, for an approved Soviet work there are a number of unusually explicit, reverential references to religion. The heroine's father has a Christ-like face and is shown under torture hanging from wrist irons, as in the traditional depiction of the Crucifixion.

The film's ending, articulating what appears to be its moral, shows an old woman on a pilgrimage asking directions from the heroine. "Is this the road that leads to the church?" she asks. "No," says the heroine with a sad smile. "This is Varlam (Stalin) Street." "Oh," says the woman, "what good is a road if it doesn't lead to the church?" and she trudges off disconsolately.

It takes a deliberate effort to try to watch the film in its Soviet context. But that is worthwhile to help dissipate some of the riddles about Soviet society now. It brings some understanding of how terribly hard it is going to be to provoke even partial change for human as well as technological and political reasons, and of the risks for those who want to control change and preserve power. In its fanciful way, this Georgian parable tells more than a Gorbachev speech.

The New York Times.

## IN OUR PAGES, 75 AND 50 YEARS AGO

### 1912: Wall Street's Week

NEW YORK — It would be idle to say that politics [the conventions] have not affected the stock markets this week, but while prices have been moving in a narrow range, the tone of the markets has been strong, reflecting improving conditions in the manufacturing and mercantile worlds and magnificent crop prospects. It is interesting to note that, for the first time in the history of the business, the steel companies are forced to take men from jail and to pay the fines of others in order to get enough men to help man the mills. Meanwhile, the suspension of the Industrial Savings and Loan Company is today's most important news. The assets are \$2 million and the liabilities exceed that. This firm was long under suspicion, although the Banking Department gave it a clean bill of health a year ago.

### 1937: Atlantic Airline

PARIS — Trans-Atlantic commercial flights came a step nearer to realization this week with the formation of a new company, the Compagnie Air France-Transatlantique, in which the French Line and Air France, national French airline, have combined forces. It is understood that ships of the French Line which ply the North Atlantic between New York and Le Havre will gather all possible [meteorological] data of a nature useful as to help start preliminary surveys flights on the North Atlantic. LAE, Marshall Islands — Aja Earhart and her navigator, Ned Noonan, arrived here today (p. 29) after a flight of seven hours and 43 minutes from Darwin, Australia. Miss Earhart intends to take off for Howland Island tomorrow. The hop should take approximately 18 hours.



## OPINION

## Reagan's Not Angry, Sorry Or Shocked, Just Frivolous

By Anthony Lewis

NEW YORK—With all the bizarre and chilling testimony over these last weeks, in a way the most extraordinary thing in the Iran-contra hearings is something that has not happened: President Reagan has expressed not a word of outrage at the facts disclosed, not a word of regret.

It is learned that officials of his administration hired private entrepreneurs to run an important aspect of foreign policy, outside the political system, outside the law. Senator William Cohen, the Republican from Maine, said the testimony had shown "two governments: one elected, the other procured."

But the president was not surprised at this radical departure from the constitu-

## ABROAD AT HOME

tion. He was not angry. He was not sorry. Not so far as we know. He said nothing. As with that large canvas, so with the grotesque details. A retired general, now a private businessman, took a group of Iranians on a tour of the White House. Among other things, he showed them the Situation Room, where the most secret U.S. military planning takes place.

To bring unclassified outsiders into the Situation Room, much less representatives of a state that proclaims its hostility to the United States, is an astonishing breach of security. But the president was not astonished. Or indignant. Not so far as we know. He said nothing.

There are dozens of questions, arising from the hearings, that responsible citizens should want answered and that a responsible president would want to answer. Here are a few.

Mr. President, two of the private individuals acting for your administration, Richard Secord and Albert Hakim, promised Iranian delegations that the United States would go to war if the Soviet Union invaded Iran, and would

## Back in the Saddle

RONALD Reagan seems to be back in the saddle again. He stumbled at the economic summit and is being battered in the Iran-contra hearings, but he is a happier man since returning to the stump to attack "the tax-and-spend crew on Capitol Hill." There was fire in his eyes and a lift in his step as he sailed through three speeches in Florida recently.

Mr. Reagan is older and more stubborn now. He is a much tougher customer to sell a compromise, for Howard Baker, the White House chief of staff, or for anyone else. On the stump, Mr. Reagan conveys the impression of a secure ideologue who prefers to leave a legacy of intransigent opposition to fiscal compromise rather than that of a president who gets things done. He appears delighted with confrontation when a genuine and useful compromise is at hand.

—Lou Cannon, writing in The Washington Post.

depose President Saddam Hussein of Iraq. Do you think such undertakings should be offered on behalf of the United States without consideration by Congress or the responsible executive departments? You said recently, Mr. President, that there was no "smoking gun" connected with the wrongdoing in the Iran-contra affair. There has been detailed testimony that Lieutenant Colonel Oliver North, of your National Security staff, hired outsiders to sell arms to the Contras and Iran, to arrange airstrips, buy planes and spend large sums. Are you saying that as president you had no responsibility for any of that? Under the U.S. political system, who was accountable to the people for those activities?

Representative Lee Hamilton, the Indiana Democrat who is chairman of the House investigating committee, asked: "Who supervised Colonel North? Who was responsible for U.S. funds being sent to the sale of U.S. arms? Who asked whether actions taken were lawful? Can you answer those questions? Please comment, too, on Mr. Hamilton's statement that 'accountability requires acceptance of responsibility up the chain of command.'"

Do you think it is wise, and proper, for U.S. foreign policies to be secretly financed by contributions from foreign potentates? Do you think it is right, and consistent with American ideals, for government officials to solicit funds from private U.S. citizens to carry on foreign policies forbidden by acts of Congress?

One American who donated such funds testified that he was told you would personally meet and thank any contributor who gave \$300,000 or more to send arms to the Contras. What do you think of that approach?

Colonel North had documents altered and shredded after the Iran-contra affair began to unravel. Why do you think he did that? Do you condemn the action?

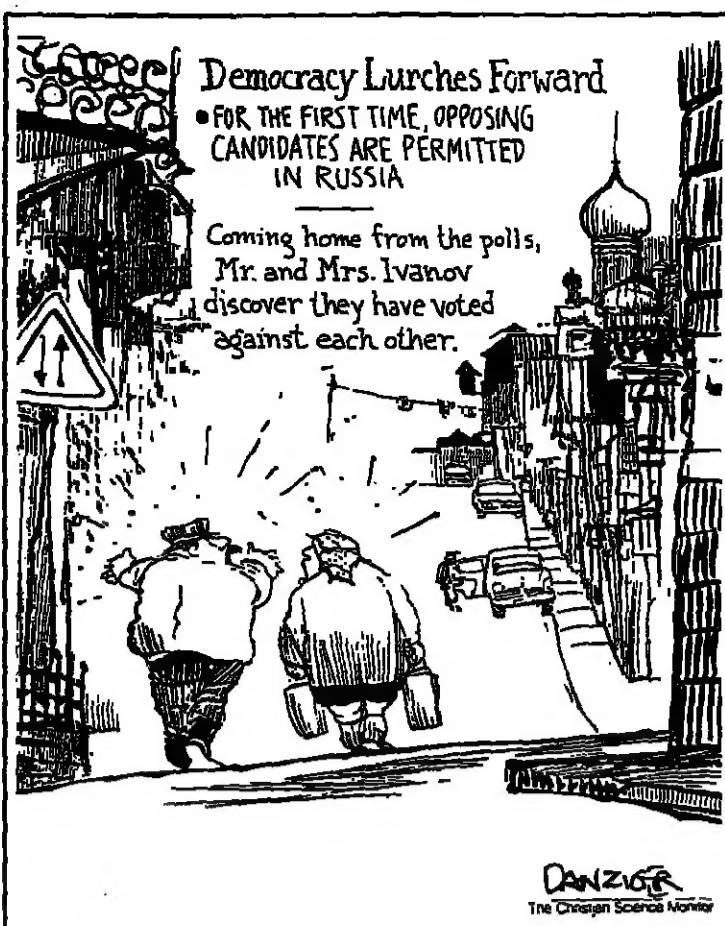
Representative Henry Hyde, a Republican from Illinois, said Colonel North and the others had used means that were "wrong and bad and blameworthy" — but that those means were justified by the end: "the Nicaraguan resistance survived." Do you agree that the end justified the means?

But, Mr. Reagan has not addressed himself to those or other substantive questions raised by the Iran-contra affair, profound questions going to the foundations of the U.S. political society. What he has said has seemed easily casual, detached from the realities of what happened.

"I get around quite a bit in the country," he said, and "I haven't seen any evidence that I've been mortally wounded, nor do the people seem to be unhappy about what we've been doing here." On June 16 he said people were going "back to their favorite television shows."

In flippancy and personalization, those remarks are reminiscent of what Mayor Edward Koch used to say as he presided over the corruption of New York City's government: "How'd I doing?"

The New York Times.



## Divergent Views on Waldheim, Austria and the Pope

Kurt Waldheim may not have personally committed atrocities, for which he would need to stand trial, but it is beyond dispute that he was a staff officer with military units engaged in the deportation of Jews to death camps. At the very least, Mr. Waldheim was more concerned about staying out of trouble than he was about the fate of his fellow men.

Millions of people behaved in this shameful and cowardly manner — this is what made the Holocaust possible — and it is evident that cowardice, opportunism and callousness, by themselves, cannot be treated as crimes.

But there is a great difference between not prosecuting such a man and elevating him to the highest post one's country has to offer or honoring and praising him at a public audience in the Vatican. At the very least, Mr. Waldheim's conduct during World War II was shameful; he himself has confirmed this by lying about it. Those who defend and praise him today, including the pope, appear to suggest that being even an inactive member of a murder machine takes nothing away from a man's honor.

I write this to contradict Mr. Waldheim's claim in interviews and press conferences that "it is always the same people" (and by implication, always the same Jews) who protest when he is honored as one of the first citizens of the world. All decent persons who have the

slightest concern for their fellow men must be revolted by the spectacle.

Born and raised a Catholic, I wish to protest at the pope's embrace of Mr. Waldheim: it's not only an insult to the Jewish victims of Nazism but a libel of all Catholics, of whom the pope is the symbolic representative. More Catholics of conscience should be heard from. It is a disgrace that Jews are not in a minority among the voices raised against Mr. Waldheim and the papal audience.

STEPHEN VIZINCEY, Venice.

Prime Minister Yitzhak Shamir of Israel, and now many American Catholics, are condemning Pope John Paul II's decision to grant an audience to President Waldheim of Austria. I am not a member of either religion, nor am I a fan of Mr. Waldheim's, but I would like to applaud the pope's decision, and encourage others to consider following his example.

Whatever the pope's reasons — and judging from his past efforts I am willing to assume they are both humane and legitimate — it seems to me that the time for ending communications with those with whom we disagree is long past. Why do we respond by stopping the activity that offers the most hope for understanding and reconciliation?

BARRY CHILDERS, Geneva.

## Doll Up a Cabbie, and a Mug's Still a Mug

By Mark Rose

NEW YORK—When I drove a taxi for two years — through ice storms and incredibly hot, humid nights, from Kennedy Airport to Riverdale — the last thing I worried about was the acceptability of my attire. More pressing concerns: Will I survive? Will an axle fall off this poor excuse for a car? How do you not blow your cool when a Park Avenue lady stuffs you with a nickel tip? How do you react to a gun at your head?

Now the authorities have proposed a dress code for New York City cab drivers. But isn't the issue this: Who really has to look good enough to drive whom where? Or, isn't the passenger's character as important as the driver's clothes?

This may surprise no one, but there are a lot of excentrics out there. Many take taxis and all are practiced at the art of deception. I had men come into my cab and leave as women. I had lovers come into my cab and leave as enemies.

I once had a man come into my cab dead sober and polite and leave so drunk that he had no memory, no voice and, of course, no money. It was a slow Monday night, raining like crazy, and I was in no mood to be stiffed. I was determined to teach this guy a lesson. I drove to the nearest police station and, with a little prodding, I persuaded him to go inside.

The sergeant, a big non-smiler, listened to my complaint, then decided to teach me a lesson. "What are you? Stupid?" Only he didn't use the word stupid. "You don't look at a guy before you pick him up? You don't see he's drunk? Hey, Murphy, come here."

"You want to tell me this guy got drunk in 10 minutes in your cab?" Murphy said, really putting on a show. "I love you stupid cab drivers."

I told him that in case he hadn't noticed it was raining heavily and that I could barely see through my windshield, and anyway the guy had his arm up and he was dressed nicely and I was empty, and just like he was sworn to uphold the

## MEANWHILE

stupid law, the stupid law said I was supposed to pick up the stupid guy.

The drunk drooled on a desk. "Get him outta here," the sergeant said. "You pick up someone like this, you get what you deserve. Don't waste my time."

I directed the passenger outside. He showed me empty pockets and a checkbook. I gave him a pen and said, "Start writing." He made out a check for \$1,000 and signed it "Governor John Connally."

It was a check from a bank I had never heard of, in Lubbock, Texas. I ripped up the check. He was wearing a nice suit and a Rolex watch. I asked for the watch. By way of response, he sank to the ground and began to snore. Certain that he would suffer for his sins later in life, I left him there and continued to have a thoroughly miserable night.

From that time on I inspected potential passengers more closely. Every cabbie comes to this if he wants to sur-

vive and make money. But there is more to it than a once-over. It's nothing for a vulture to put on a mink or a tuxedo. It's the eyes, and the vibrations, that are nearly impossible to fake. Anyway, to underscore the absurdity of a dress code for cabbies, I suggest that they up the stakes a bit. By law, cabbies are required to pick up any rapist or indicted arbitrator and take them to any unit, deserted alley they desire. Before exposing themselves to such risks, why shouldn't cabbies formally inspect passengers?

Are they properly manicured? Are they willing to sign an affidavit that they will leave at least a 20 percent tip? Do they speak the King's English? Perhaps a cabbie can put up a "Jacket Required" sign. If the passenger doesn't have a jacket, the cabbie, for a fee, can supply one.

I would like to think that it is the genteel old money that is behind this dress code. But I suspect that it is the parvenu Yuppies, with their power ties, alligator shoes and immense, if unwitting, capacity for self-parody. We baby-boomers have developed a deep fascination with surface appearances.

When I was a child, my grandfather would bounce me on his knee and impart wisdom through what I then thought were simplistic sayings. One of his favorites: You dress a mug in a suit and what you get is a mug in a suit. That goes for taxi drivers and passengers.

The writer works for a public-relations firm. He contributed this comment to The New York Times.

## LETTERS TO THE EDITOR

You quote U.S. Jewish organizations with their statements on Mr. Waldheim's past. So far, proof of Mr. Waldheim's "abominable acts" in World War II has ever been shown or published. I will not accept his guilt until it is proven.

WERNER MORATH, Meerbusch, West Germany.

My Mother and I are both Christian. During World War II, she was a Resistance fighter. The Waldheim-Pope John Paul meeting has outraged us.

ANNICK SAINTOUT, Paris.

ANNICK SAINTOUT, Paris.

a mobilized soldier but the repulsive role he played, if only a modest one, in serving his criminal masters in Berlin.

The Austrians I know are a far cry from that segment of the population that voted for a president who feels neither shame nor guilt for what happened in the Balkans. We are not confronting a political but a moral dilemma. Nearly 50 percent of the Austrians voted against Mr. Waldheim. Let this not be forgotten, either. Men like former Chancellor Franz Sinowatz and Chancellor Franz Vranitzky cannot be identified with this lingering Austrian disease of anti-Semitism, which is the true hallmark of Nazism and has little to do with fascism.

JAKOV LIND, London.

## AIDS Isn't a Heart Disease

It is clear that in his opinion column, "In the Drive Against AIDS, Why Pledge a Blank Check?" (June 16), Charles Krauthammer is trying very hard to appear at least somewhat compassionate toward victims and potential victims of this disease. But in writing that AIDS requires the collaboration of the sufferers he forgets that most of the afflicted were ignorant of the existence of the virus when they contracted the illness. In his aloofness he forgets, too, that he is consigning a not insignificant proportion of the population to a lifetime of celibacy. But what is much more important is that,

as a thinking person, he cannot ask us to consider AIDS in the same category as the other illnesses he mentions: brain cancer, heart disease. AIDS is contagious. It is clearly an epidemic.

Protecting human beings against the alarming spread of AIDS must be a public concern far beyond the chauvinistic issues of sexual preference. Although Mr. Krauthammer might consider himself a non-risk case, he and other complacent individuals must immediately understand that because the disease is contagious, like polio or rabies, the lives of millions of sexually active people are endangered regardless of their orientation. It is just this attitude that kept the U.S. government from concerning itself with the disease six years ago, when, with a determined effort, its expansion might have been arrested and tens of thousands of lives would have been saved.

RICHARD de COMBAY, Paris.

## Confusing the Colonialists

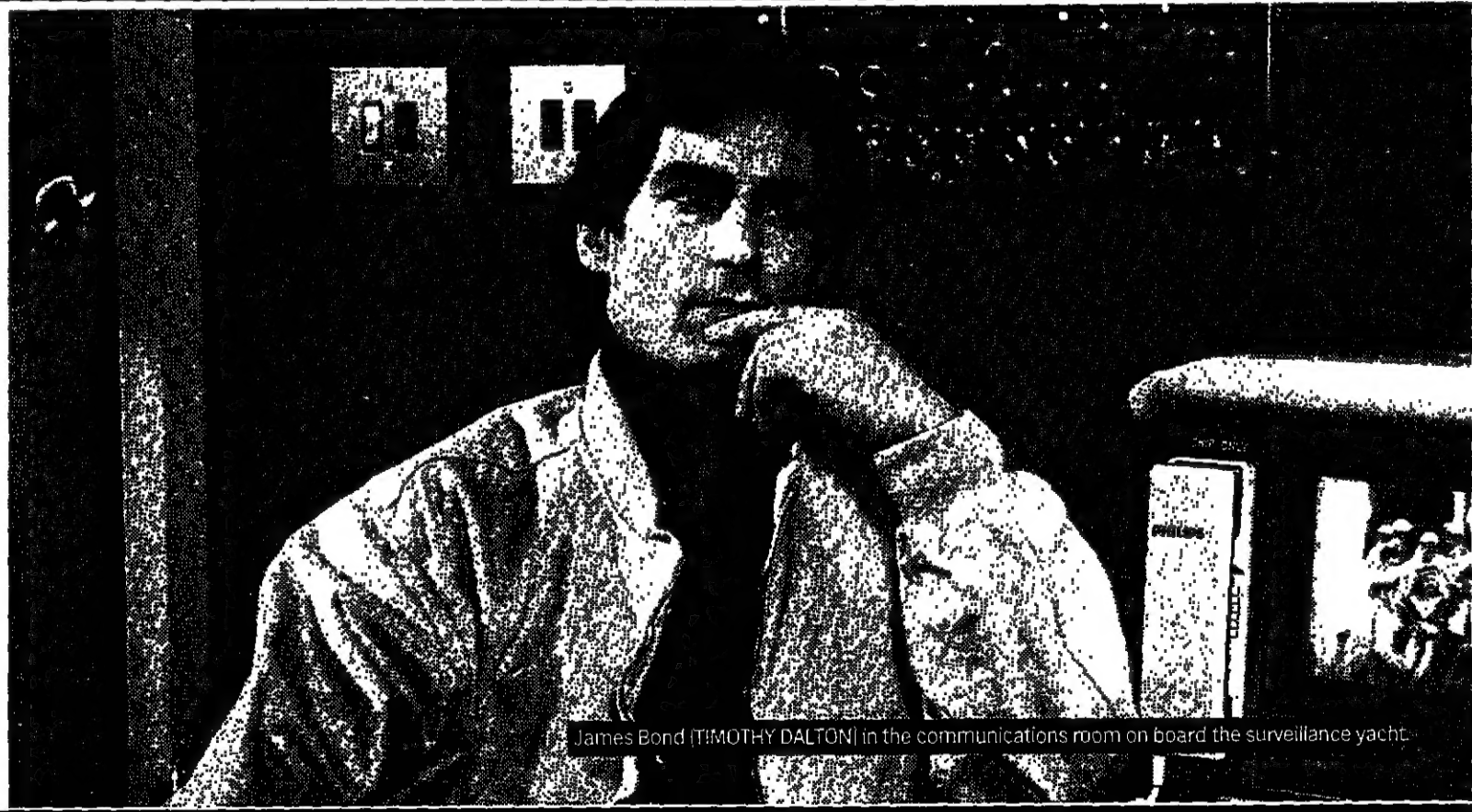
In "When Helms & Co. Pursue Policy by Wrecking-Ball" (June 23), Philip Geyelin shows his slip. The theme is certainly interesting and worthy. However, the writer has confused his colonialist empires. Mozambique once belonged to Portugal, not Belgium.

HELEN M. MULLER, Lausanne.

For 007 only the best is good enough. And that's certainly true when it comes to advanced technology and innovative products. That's why James Bond chooses Philips in his new film "The Living Daylights".

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James Bond (TIMOTHY DALTON) in the communications room on board the surveillance yacht.

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## U.S. Advised 1988: Longing for the Nonrunners To Rebuild Chancery In Moscow

The Associated Press

WASHINGTON — James R. Schlesinger, the former defense secretary who studied the problem of electronic spying at the new U.S. Embassy in Moscow, recommended Monday that the top floors of the unfinished building should be removed and rebuilt.

Mr. Schlesinger, who made his study for the State Dept., told the Senate Budget Committee, that an annex should be built to house the most sensitive embassy offices.

The United States, he said, should try to "neutralize" listening devices in the lower floors of the eight-story chancery building and use the floors as a consulate, a trade office or for medical services.

Under a 1977 U.S.-Soviet agreement, each country is building a new embassy in the other's capital. Mr. Schlesinger recommended the annex be revised to make clear that all new U.S. construction in Moscow will be done by Americans with security clearances, not by Soviet workers.

He said that when the embassy in Moscow is completed — which should be in 1990 if the Kremlin agrees to his recommendations — the Russians should be allowed to occupy their new complex on Mount Alto, one of the highest sites in Washington.

While much had been made of the advantages of the Mount Alto site for intelligence gathering, Mr. Schlesinger said, the advantages were "considerably less than popularly assumed."

If Soviet cooperation on the Moscow embassy cannot be obtained, he said, "the traditional functions of an embassy behind the Iron Curtain will no longer be what they are now."

Much of the difficulty with the building in Moscow, he said, stems from U.S. acceptance of a Soviet assertion that some concrete sections of the building could not be poured at the embassy site. Listening devices were implanted when the sections were fabricated away from U.S. observation.

### 29 Delect to West Germany

The Associated Press

MUNICH — Bavarian police said Monday that 14 Poles and 15 Czechoslovaks left tour groups last weekend and stayed behind in West Germany, where they will be allowed to stay even if officially denied political asylum.

## 1988: Longing for the Nonrunners

(Continued from Page 1)

Georgian is moving toward running. He coyly said that, while he had once been "70 to 30" against running, the latest odds were a more favorable "60.5 to 39.5," although still against.

The continuing speculation that Mr. Nunn may run has been especially harmful to Mr. Gore, who is trying to build a base as the South's only candidate. "The prospect of Sam Nunn running freezes a lot of people," said Dick Lodge, chairman of the Tennessee Democratic Party.

Other Democrats who are known to be considering candidacies are Representative Patricia Schroeder of Colorado and Governor Bill Clinton of Arkansas.

The election of 1988 is plainly not the first in which voters and party leaders have looked outside the roster of volunteers for a nominee.

Wendell Wilkie was nominated by the Republicans in 1940 as the result of a brilliantly orchestrated campaign just before the convention. Adlai Stevenson's nomination by

the Democrats in 1952 was the product of a late draft.

In 1964, many Republican primary voters wrote in the name of Henry Cabot Lodge, then the U.S. ambassador in South Vietnam, in preference to Nelson A. Rockefeller and Barry M. Goldwater, the ultimate nominee. And in 1976, important Democratic leaders hoped that Hubert H. Humphrey would enter the Democratic race late to stop Jimmy Carter.

Yet, many politicians see substantial differences from these earlier cases. For one thing, the way candidates are selected now, through a grueling series of primaries, is different from what it was in 1940, 1952 or even 1964.

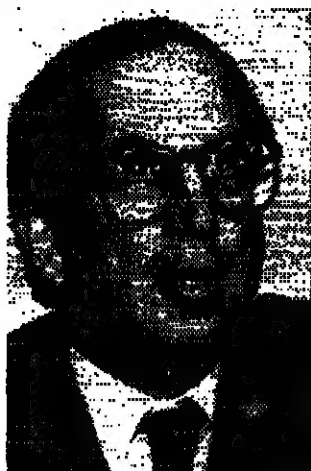
In the old days, convention delegates or the party leaders who controlled them were largely free agents who could shift their support at will before and at the national convention. Now, most delegates are bound by the decisions of primary election voters, at least for the first convention ballot, and most are directly selected by candidates who count on their loyalty.

For supporters of the current candidates, the most annoying aspect of the interest in the noncandidates is the implicit subject: that those in the race are somehow inadequate to the job.

Many political professionals dismiss this view and say that the remaining Democrats are suffering from the pull thrown over the contest by Gary Hart's abrupt withdrawal amid scandal over his relationship with Donna Rice, the model and actress.

One influential Midwestern Democratic congressman said that his party now had "a bunch of very good candidates for vice president." But the congressman, who recently attended a convention where many of the candidates spoke, said that rank-and-file Democrats tended to be more enthusiastic about the existing candidates than observers in Washington are.

Harrison Hickman, a Democratic pollster, said that another difference from the past is that the new rules of presidential politics



Sam Nunn



Bill Bradley

have the effect of encouraging little-known candidates. "One of the requirements to be a player in the game used to be that you had to be well known," he said.

With all the publicity that accrues to the Iowa caucuses and the New Hampshire primary, unknowns can count on being instant celebrities if they win in either state. Such recognition propelled Mr. Carter to the nomination in 1976 and Mr. Hart to national prominence in 1984.

On the Republican side, the candidates are far from obscure. Whatever Vice President George Bush's political weaknesses may be, one of them is not a lack of experience. Much the same can be said of the Senate Minority leader, Bob Dole of Kansas.

Thus, the enthusiasm that Mr. Baker's name evokes at Republican meetings is less a negative commentary on the other candidates than it is a sign of the affection for Mr. Baker among the rank-and-file political activists and the sense that he could emerge as a unifying force at the end of a potentially bitter battle for the nomination.

But on the Democratic side, as Mr. Gore noted, the stature of politicians seems to grow in direct proportion to their distance from the hustings.

Thus, Mr. Bradley's insistence that he does not regard himself as being ready to be president comes off as statesmanlike humility — especially when he has been hard pressed to say why he regards other candidates with little more experience as quite prepared for the White House.

But if the noncandidates look especially good, many analysts say that is true in part because they are preserving themselves from the scrutiny and attack that falls onto those who enter the battle.

Mr. Nunn is profiting from this phenomenon, say many Democrats. As the chairman of the Senate Armed Services Committee, he is seen mainly as the widely respected expert on military and foreign policy, and as a moderate conservative who could draw defectors back into the Democratic fold. But if he became a candidate, Mr. Nunn's voting record would be open to severe criticism from his more liberal adversaries.

known Washington law firm. Shea & Gardner's attorneys told Mr. Calero that his legal fees would be paid by supporters of the contra cause, Mr. Portuondo said.

Efforts to obtain comment from the Shea & Gardner firm were unsuccessful.

The Christie Institute filed the lawsuit on behalf of two American free-lance journalists based in Costa Rica, Tony Avirgan and his wife, Martha Honey.

Several of the defendants — including General Secord; his business partner, Albert A. Hakim; Thomas G. Clines, a former CIA official; Major General John K. Singlaub, a retired U.S. Army officer, and Robert W. Owen — were members of Colonel North's private contra-aid network.

In addition to the drug charges, the suit alleges that some of those named participated in an unsuccessful attempt to assassinate Eddin Pastora Gomez, the former contra leader.

Joseph Portuondo, a Miami lawyer who currently represents Mr. Calero, said that after the suit was filed, Colonel North directed Mr. Calero to Shea & Gardner, a well-

## EGYPT: Tank Manufacture

(Continued from Page 1)

give it the strongest cost of armor in the U.S. tank arsenal.

The Pentagon has allocated \$168 million in start-up funds for Egypt's M-1A1 program beginning in the fall of 1988, according to sources.

The U.S. ambassador to Egypt, Frank G. Wisner, has told Western officials that the program represents another important bond in the relationship between the two countries.

In addition, as the U.S. stake in the security of the Gulf grows, Egypt is seen as a critical support base in the region.

More than a dozen American-made M-1A1s from the U.S. Army's 24th Division will participate in this summer's "Bright Star" military exercise involving U.S. and Egyptian forces, according to sources.

Yet a number of obstacles remain to the tank deal. Sources in Cairo and Washington say questions have been raised about the proposed transfer of the technology to Egypt and the economic impact on Egypt's heavily burdened economy.

Other critics of the proposed transfer say the loss of such a big order of tanks from American factories will have a significant impact on jobs in the United States.

In addition, despite the peace treaty between Egypt and Israel, some officials are concerned that Israel's supporters in Congress may oppose giving Egypt, and perhaps other Arab states, the technology to build a tank that U.S. officials say can outshoot Israel's main battle tank, the Merkava.

The production agreement comes at a time when Egypt is trying to revitalize plans made more than a decade ago to build an Arab world arms industry financed by the oil-producing states of the Gulf and by other regional powers such as Iran, Turkey and Pakistan.

Those plans were shelved when Egypt made a separate peace with Israel in 1979, causing the Gulf states to sever relations and withdraw funding from Egypt.

The Egyptians, according to sources in Cairo, want to produce the tank to meet the threat of Libya's Soviet-equipped army in the next decade, as well as for national prestige.

U.S. Army officials, according to several sources, opposed the technology transfer, arguing that Egypt might end up spending much more for each tank than it would cost to buy them from the United States.

The export price to Egypt would be about \$3 million per tank under the foreign military sales program, in which Egypt buys with aid credits that do not have to be repaid.

Some U.S. Army officials predict that Egypt will spend \$4 million to build each M-1A1, especially after it invests in all of the facilities needed to produce it.

## ROH: Rewriting the Rules in Seoul

(Continued from Page 1)

nation and host of the 1988 Summer Olympics.

In the past, civil unrest was routinely blamed on "subversives" or "revolutionaries." This time, the ruling party faced up to the reality that the demonstrators' enjoyed near universal sympathy from ordinary citizens. It blamed itself.

In former days, says Hyun Hong Choo, a spokesman for the ruling party, "instead of responding to the people's wish, the ruling party imposed its will on the people. That was the typical attitude."

Mr. Roh's announcement has boosted the political stock of the unpopular government party. It has probably done the same for Mr. Roh himself as the party's presumed standard bearer in the election that is now expected to be held late this year.

People in both the government and the opposition predict Mr. Roh's steps will take the steam out of the demonstrations. They say that students attempting to take to the streets in the cities will find they don't have the respect and support they had before.

Some hard-liners do not seem happy over Monday's events. "We don't trust what they're saying," said a graduate student at Seoul's Yonsei University.

The opposition party, the Renovation Democratic Party, is now in the position of the dog that has caught the car it chases every day — what to do with it.

With its fundamental demands having been met, it must now somehow keep itself together and head off infighting that could mar its standing in the coming election.

The two Kims who lead the main opposition party, Kim Dae Jung and Kim Young Sam, are rivals who have come together in the past two years to fight for a system of direct presidential election. Even with that holding them together, they have periodically felt it necessary to issue formal declarations that they are in complete cooperation.

Both men demurred when asked of their presidential ambitions, saying they had none. But already there is talk of a split ticket for the opposition, while Mr. Roh runs alone for the government party.

A Western diplomat said that the government strategy may be to "let the two Kims kill each other."

The opposition seized on direct presidential elections as a simple, easily grasped issue onto which the anxiety that millions of South Koreans felt toward Mr. Chun could be channeled. Direct elections have in many Koreans' minds become synonymous with democracy itself.

However, the fact is that in the past, Koreans have had direct elections but no democracy. There is ample room for cheating or manipulation of results under any election system.

Nonetheless, the opposition is claiming no doubt about who the winner will be, providing the voting is fair.

"Don't worry about the ruling party winning," Kim Young Sam told reporters. "Just ask the people. No one thinks that is going to happen."

## KOREA: Direct Elections

(Continued from Page 1)

united anti-government front in recent years, the two Kims are long-time rivals, and questions have persistently arisen about how long their union will last.

Kim Young Sam deflected questions about whether he might run in a direct presidential election. Kim Dae Jung, who ran for president in 1971 and lost, repeated a pledge last fall that he would forswear future races if it would help South Korea's political development.

He still had the "same attitude — no change," he said.

Some analysts expressed concern that a falling out between the two Kims could lead to the sort of bitter rivalry that in 1980 led Mr. Chun, then head of a mutiny of army generals, to tighten martial law and consolidate power. But a political science professor at Seoul National University said that "politicians do learn from history," and argued that the Kims were not likely to repeat their squabbling.

It was widely felt among political analysts that Mr. Roh had significantly added to his stature as his party's presidential candidate. Until now, he had been dismissed as a figurehead operating in the shadow of Mr. Chun. But the announcement Monday transformed him immediately in some eyes into a man looking to assert his independence as well as to help the country.

As word of the decision spread across the capital, Koreans allowed themselves finally to feel hopeful after weeks of tension and apprehension that the civil unrest, if unchecked, could lead to military intervention.

In offices and markets, people stopped their normal business to watch Mr. Roh on television. Those who were on the street snapped up single-sheet extra editions printed by the national dailies.

## EC: Money Differences

(Continued from Page 1)

that would require the liberalization pact to be renegotiated.

Spain wants the Gibraltar airport excluded from the air pact, saying its inclusion would legitimize Britain's hold over the Rock. Britain opposes this but showed some flexibility in urgent talks. Belgium, which currently holds the EC's revolving presidency, mediated the talks.

On EC finances, Mrs. Thatcher called for strict budgetary rigor to cure the EC's deficit, which could reach \$6 billion this year. She also called for stiff reforms in spending on farm subsidies, which is widely recognized as being out of control.

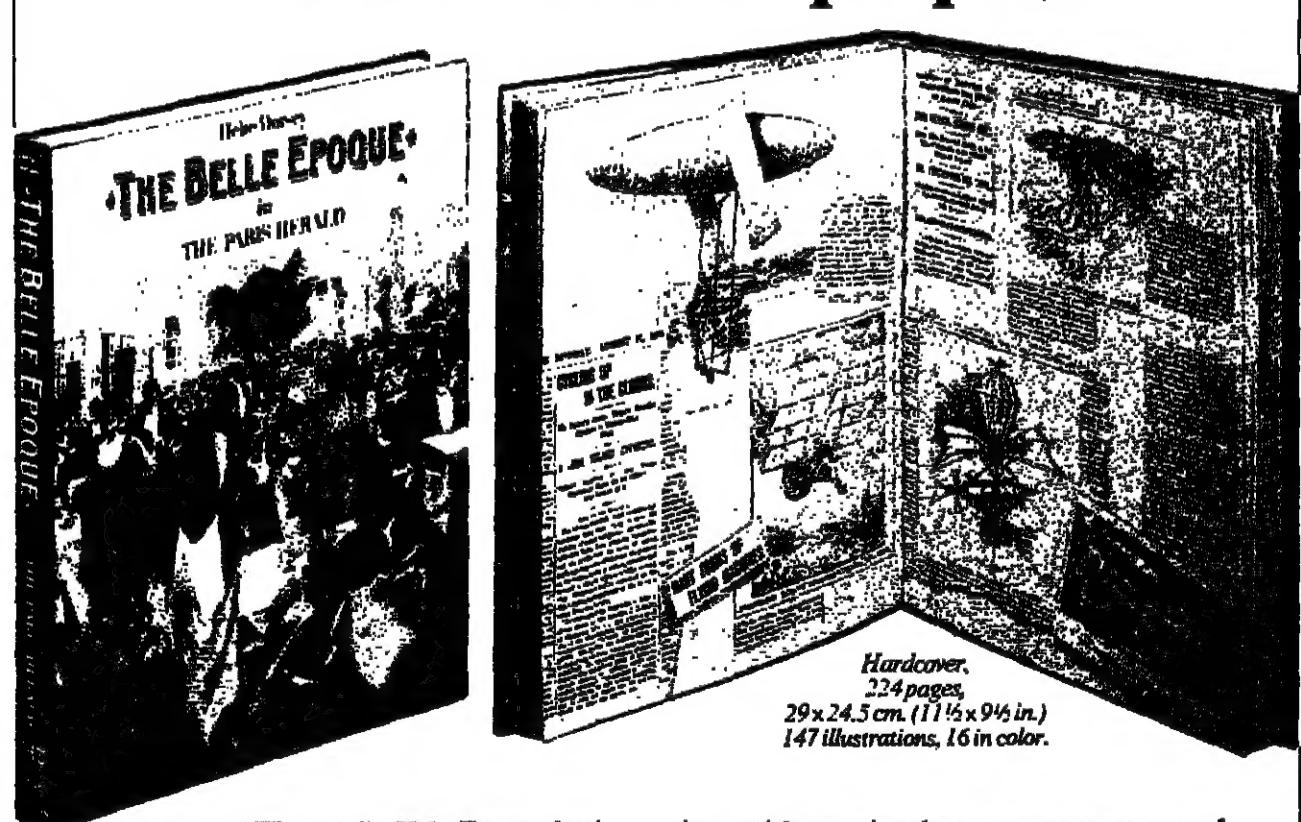
"Expenditures should be tailored to available resources and not vice versa," Mrs. Thatcher reportedly told her colleagues.

She is generally supported by West Germany, Denmark and the Netherlands, although those countries are not quite as resolute as the British leader. West German aides, for example, hinted at the meeting that Bonn might accept an increase in development aid.

The leaders hope to reach some kind of agreement Tuesday that will set the outlines for a long-term solution to the EC's problems. The final decision would presumably be made at the next summit meeting in December.

Meanwhile, though, the leaders aim to provide direction to agricultural minister, who will meet Tuesday, and to the budget ministers, who are scheduled to meet on Thursday. Both sets of officials are deadlocked over spending plans for 1987, and officials hope that guidance from the summit meeting will end the stalemates.

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## BEIRUT: Iranians Curbed

(Continued from Page 1)

Christian areas of Lebanon issued the call for a general strike issued by the Central Bank.

The three Central Bank officials, all Christians, were abducted on June 29, 1985, in the Moslem sector during a wave of sectarian kidnappings.

**Prison Reported Attacked**  
Security sources said that guerrillas attacked a prison Monday in the Israeli "security zone" in northern Lebanon, wounding several militia guards. Reuters reported from the Lebanese port of Sidon.

The sources said that at least three rocket-propelled grenades hit Khiam prison, but it was not known if any of the 300 to 350 prisoners held there were wounded.

The sources said that ambulances carried away five persons from the 70-man South Lebanon Army militia unit that guards the jail. The militia's radio station reported only one man hurt.

Most of the prisoners are believed to be Shiite militants. Amnesty International, the London-based human rights group, published allegations last year of torture in the prison and urged Israel to open for inspection.

Israel has denied responsibility for the prison, although former inmates have said interrogations were carried out under the direct supervision of Israeli agents.

## ALBERT: Tribute Rotting Away

(Continued from Page 1)

pensive to the ridiculous and unthinkable.

There is a plan to spend more than \$6.9 million (\$11 million) for a new stainless steel skeleton to support the structure. But that kind of expenditure could stir political resistance in a country where people sometimes wait 18 months for a hospital bed from the underfunded National Health Service.

Another proposed envisions chopping off the spire just above Prince Albert's head. The cheapest proposal, at about \$999,680 (\$1.6 million), is for outright demolition of the memorial.

The response of Sir Derek Thomas, a Foreign Office diplomat soon to be ambassador to Italy, is typical of those who object to demolition.

"Tear it down! Oh, my goodness," Sir Derek said softly. After pondering the idea for a moment, he said he would like to alter his usual practice and speak on the record.

"There are not many things about which I would go and parade down Whitehall Street carrying a banner," he said, "but I would certainly protest about that."

Like many Londoners, Sir Derek likes to see the memorial at dawn or twilight, when Queen Victoria's grief indeed seems palpable.

Just before the tourist season this year, high plywood barricades went up around the memorial's base. Roof tiles and parts of some of the

statues have been crashing to the ground.

Some statues are being held in place by rope and adhesive tape. The Venetian glass mosaics must be removed and regouted. The entire edifice is shaky because water has leaked in, rusting its cast-iron structure.

Despite the decay, it is still possible to see that Gilbert Scott, the architect, achieved his dream of creating "a fairy structure, composed half of the builder's art and half of the jeweler's art," according to Stephen Bayley, author of a book on the memorial.

Norman St. John Stevas, chairman of the Royal Fine Art Commission, said that 50 years ago the memorial was so unpopular it could have been torn down without public outcry.

No one believes the monument will be destroyed. Environment officials call demolition an "extreme alternative" intended to provide a minimum cost figure. But Queen Victoria may be lucky that even Victorians, who tired of mourning Prince Albert, are not making the decision.

In 1864, Charles Dickens wrote a friend to say that if there was "an inaccessible cave anywhere in that neighborhood to which a hermit could retire from the memory of Prince Albert and testimonials to the same, pray let me know of it."

"We have nothing solitary and deep enough in this part of England," wrote Dickens.

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## ARTS / LEISURE

## Uproar on the Upper West Side

NEW YORK — Twenty years ago, Selma Weiser had two young children, no money and no job. Last week, in recognition of her entrepreneurial spirit and for six Charivari stores on the West Side, she was honored by the West Side Chamber of Commerce with a dinner at the Tavern on the Green, in Central Park.

Several designers and fashion editors paid tribute to Weiser in a video put together by her son Jon, a former film student at New York University and since 1971 in charge of Charivari's men's division. (Her daughter, Barbara, a PhD in literature, shares the women's fashion division with her mother.)

The fashion consultant Bernie Ozer said Weiser had "retailing hands of gold." The Japanese designer Yohji Yamamoto, whom Weiser discovered, called her "Hi, Mother." The New York Times's fashion writer Bernadine Morris, a personal friend who used to play tennis with Weiser 20 years ago, said that the "West Side grow around her." Issey Miyake called her "a creator of two other creators. Her two children."

"This was the most moving part of the evening," Weiser said of her hugely successful family business. Mayor Ed Koch sent a letter and Ronald S. Kahn, the West Side Chamber of Commerce's chairman, said: "The beauty, charm and spirit of the Upper West Side is no more evident than in that entity called Charivari. It is family. It is

liberal. It is experimental. It is avant-garde. It is ethnic mix. "It's the evening of my life," said Weiser after a standing ovation. "I just don't believe it."

She first opened at Broadway and 85th Street with \$65 (her son thinks it was more like \$400), a hole in a wall in the then-unfamous West Side. She had just lost her job as a dress buyer for a Newark department store. In what could be staged as a fashion "West Side Story," she and her children painted the 400-square-foot shop and Weiser featured a go-go dancer — sporting groovy vinyl boots and a miniskirt — as part of her window display.

She also opened on April 1 because everyone said I had to be a fool to open a store on the Upper West Side. It was a gamble. I was divorced and had two kids to support. But I had faith in the idea and faith in the Upper West Side. Today, besides fashion, we have restaurants, several movie theaters. Real estate there is the same as on the East Side. Besides, it's the most vital of all neighborhoods in New York.

Weiser had looked in the Thesaurus for a name and came up with Charivari, after discovering that it means uproar, which is exactly what she had in mind.

ume of \$15 million in 1987. Her most recent store, on 57th street, a starkly handsome Japanese-modern building across from Bergdorf Goodman and next to Henri Bendel, cost \$1.5 million and put Charivari in the big league. Recently, Charivari won the Coty award for innovative retailing and an award for retail design from Interiors Magazine.

Cruising the world three months

Weiser had looked in the Thesaurus for a name, and came up with Charivari, after discovering that it means uproar, which is exactly what she had in mind.

a year, looking for radically different and avant-garde designers, the gussy Weiser, 58, her daughter Barbara 36, and her son Jon 32, were first with the Japanese designs which became a cornerstone of their business. They signed up Issey Miyake, Rei Kawakubo (designer of Comme des Garçons), Matsuda and have exclusive rights with Yohji Yamamoto. "We are con-

stantly looking for that new thing," Jon said. "We take risks with unknown designers." Their adventurous spirit also led them to push British talents including Culture Shock and Katharine Hammett. In Italy, they do business with Armani, Genny and Byblos. In the United States, they launched Marc Jacobs and Cathy Hardwick.

"You have to give your customer the vision," said Barbara. Among their long list of celebrity customers: Warren Beatty, Robert Redford, Jerry Hall, Mick Jagger, Diane Keaton, Bruce Springsteen, Nastassja Kinski and Mariel Hemingway.

While the three Weisers march as a fashion formation, Selma is the most arresting and very much like her business — an uproar. A huge woman with red hair that she pushed all the way to carrot, Selma Weiser would have a hard time wearing a sweater and skirt. Instead, wrapped in miles of black Japanese cloth, layers upon impossible layers and carrying a giant black bag, she comes across as, yes, cute. Over the years, she has melowed, and recently defined her merchandise as "forward without being trendy," putting the accent on wear and quality while striving for "a look that is unusual, innovative and sometimes experimental."

As she contemplates stores in San Francisco, Los Angeles, Dallas, Washington, Chicago and Boston, Weiser predicts that "In the not too distant future, people will be doing much of their shopping by home video. Many retail shops will disappear. Only the interesting ones will survive."



The experimental and avant-garde family Weiser: Selma (left), daughter Barbara, and son Jon. "Only the interesting retailers will survive."

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## Through American Eyes

By John Russell  
New York Times Service

NEW YORK — What happened to American landscape painting between 1880 and 1900? We may know, from books, about the Düsseldorf school, the Munich school and the Brittany school. We may know of the American painters who went to Giverny in hopes of picking up a thing or two from Claude Monet. We know something — quite enough, in some cases — about American Impressionism. But how to put all that disparate information together and make sense of it is another problem altogether.

So the Norton Gallery of Art in West Palm Beach, Florida, has done a service by organizing a show called "Nature's Ways: American Landscape Painting of the Late 19th Century" that can be seen at the National Academy of Design here through Aug. 16. In all, about 75 paintings are on view.

William Lamb Picknell's "Road to Concarneau" (1880) hangs directly across from strong paintings

of seaboard subjects by Childre Hassam. William Merritt Chase and William Leroy Metcalf. Picknell is not a household name, but his painting of a Breton road (laid down not long before, and still looking new) that seems to stretch on and on into a white and stony infinity, is one of the best paintings to have been produced by an American in France at that time.

As for the Hassams, the Chases and the Metcalfs, we can almost smell the salt in the air above Gloucester, Massachusetts, and on the Shinnecock Hills on Long Island as we look at them. In works like these, American landscape painting got its act together.

One great name, Winslow Homer, makes itself felt by its absence. Other big names make, however, cameo appearances that are as impressive in their way as the time when Laurence Olivier played the quite small part of the Button Moulder "Peer Gynt" and ran away with the show. This visitor will not forget the impact of the little study by Thomas Eakins for a painting called "Meadows, Gloucester" that dates from around 1882. Eakins doesn't seem to be doing anything much — just an aromatic smudge here and there, and not too many of them — but we recognize it at once as the work of a great artist.

And then, on the third floor, there is a painting by Whistler. It shows an English beach, called Selsey Bill, toward the end of the day. The light is draining away from an almost uninflected stretch of sand that reaches way up into the top half of the canvas. The sky, likewise, is settling down for the night, with almost transparent washes of color that will presently disappear. All the world — or so it seems — is winding down. Except in the foreground, that is. Down towards the bottom edge of the canvas — Whistler paints it as if from high above — three human figures can be seen. A mother, or perhaps a nanny, and two children, rather overdressed (by today's standards) for the beach. The older woman stands

straight and still. The children bend, jump, dance around. Whistler doesn't describe what they are doing, and he models them hardly at all. But with just a ribbon or two here and there a stockinged leg outlined against the sand, he gives us the whole scene. The eye alternates between those two figures, whirling back and forth in their vigorous disarrangement, and the stillness of sand and sky.

The lesson of this show is that the United States was full of landscape painters who went their own way, whether in Europe or back at home, and turned out paintings that cannot be classified under any particular school but have kept their freshness intact.

The heroes of the show, for me, are painters like Robert Williams Vonnoh (1858-1933), who could make a memorable, exact and plainspoken image out of some steep-pitched roofs and a couple of blind walls. As for Arthur Wesley Dow (1857-1922), he would get a prize, if prizes were in order, for his painting of some distant marshes. With its repeated color shocks that look arbitrary, but are really most cunningly conceived, its deft handling of a serpentine river and its easy aerial command of deep, plunging perspectives, Dow's "Marshes" is one of the most original American paintings of its date (1892).



William Lamb Picknell's "Road to Concarneau" (1880) is one of the best paintings by an American in France at that time.

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17,511	17,511	17,511	+0.25	+0.001
17,511	17,511	17,511	+0.25	+0.001
17,511	17,511	17,511	+0.25	+0.001
17,511	17,511	17,511	+0.25	+0.001
17,511	17,511	17,511	+0.25	+0.001
17,511	17,511	17,511	+0.25	+0.001
17,511	17,511	17,511	+0.25	+0.001
17,511	17,511	17,511	+0.25	+0.001
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Open	High	Low	Last	Chg.
17,511	17,511	17,511	17,511	+0.25
17,511	17,511	17,511	17,511	+0.25
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17,511	17,511	17,511	17,511	+0.25
17,511	17,511	17,511	17,511	+0.25

AMEX Diary				
Close	Prev.	Chg.	Chg. %	Chg. %
17,511	17,511	+0.25	+0.001	+0.001
17,511	17,511	+0.25	+0.001	+0.001
17,511	17,511	+0.25	+0.001	+0.001
17,511	17,511	+0.25	+0.001	+0.001
17,511	17,511	+0.25	+0.001	+0.001
17,511	17,511	+0.25	+0.001	+0.001
17,511	17,511	+0.25	+0.001	+0.001
17,511	17,511	+0.25	+0.001	+0.001
17,511	17,511	+0.25	+0.001	+0.001

NASDAQ Index				
Close	Prev.	Chg.	Chg. %	Chg. %
17,511	17,511	+0.25	+0.001	+0.001
17,511	17,511	+0.25	+0.001	+0.001
17,511	17,511	+0.25	+0.001	+0.001
17,511	17,511	+0.25	+0.001	+0.001
17,511	17,511	+0.25	+0.001	+0.001
17,511	17,511	+0.25	+0.001	+0.001
17,511	17,511	+0.25	+0.001	+0.001
17,511	17,511	+0.25	+0.001	+0.001
17,511	17,511	+0.25	+0.001	+0.001

AMEX Most Actives				
Vol.	High	Low	Last	Chg.
IBM	277.15	276.00	276.00	-1.15
GE	260.00	259.00	259.00	-1.00
AT&T	239.00	238.00	238.00	-1.00
Amgen	154.00	153.00	153.00	-1.00
Amgen	154.00	153.00	153.00	-1.00
Amgen	154.00	153.00	153.00	-1.00
Amgen	154.00	153.00	153.00	-1.00
Amgen	154.00	153.00	153.00	-1.00
Amgen	154.00	153.00	153.00	-1.00
Amgen	154.00	153.00	153.00	-1.00

Dow Jones Bond Averages				
Close	Prev.	Chg.	Chg. %	Chg. %
17,511	17,511	+0.25	+0.001	+0.001
17,511	17,511	+0.25	+0.001	+0.001
17,511	17,511	+0.25	+0.001	+0.001
17,511	17,511	+0.25	+0.001	+0.001
17,511	17,511	+0.25	+0.001	+0.001
17,511	17,511	+0.25	+0.001	+0.001
17,511	17,511	+0.25	+0.001	+0.001
17,511	17,511	+0.25	+0.001	+0.001
17,511	17,511	+0.25	+0.001	+0.001
17,511	17,511	+0.25	+0.001	+0.001

NYSE Diary				
Close	Prev.	Chg.	Chg. %	Chg. %
17,511	17,511	+0.25	+0.001	+0.001
17,511	17,511	+0.25	+0.001	+0.001
17,511	17,511	+0.25	+0.001	+0.001
17,511	17,511	+0.25	+0.001	+0.001
17,511	17,511	+0.25	+0.001	+0.001
17,511	17,511	+0.25	+0.001	+0.001
17,511	17,511	+0.25	+0.001	+0.001
17,511	17,511	+0.25	+0.001	+0.001
17,511	17,511	+0.25	+0.001	+0.001
17,511	17,511	+0.25	+0.001	+0.001

Odd-Lot Trading in N.Y.				
Buy	Sell	Chg.	Chg. %	Chg. %
17,511	17,511	+0.25	+0.001	+0.001
17,511	17,511	+0.25	+0.001	+0.001
17,511	17,511	+0.25	+0.001	+0.001
17,511	17,511	+0.25	+0.001	+0.001
17,511	17,511	+0.25	+0.001	+0.001
17,511	17,511	+0.25	+0.001	+0.001
17,511	17,511	+0.25	+0.001	+0.001
17,511	17,511	+0.25	+0.001	+0.001
17,511	17,511	+0.25	+0.001	+0.001
17,511	17,511	+0.25	+0.001	+0.001

Dow Jones Averages				
Open	High	Low	Last	Chg.
17,511	17,511	17,511	17,511	+0.25
17,511	17,511	17,511	17,511	+0.25
17,511	17,511	17,511	17,511	+0.25
17,511	17,511	17,511	17,511	+0.25
17,511	17,511	17,511	17,511	+0.25
17,511	17,511	17,511	17,511	+0.25
17,511	17,511	17,511	17,511	+0.25
17,511	17,511	17,511	17,511	+0.25
17,511	17,511	17,511	17,511	+0.25
17,511	17,511	17,511	17,511	+0.25

Standard & Poor's Index				
Close	Prev.	Chg.	Chg. %	Chg. %
17,511	17,511	+0.25	+0.001	+0.001
17,511	17,511	+0.25	+0.001	+0.001
17,511	17,511	+0.25	+0.001	+0.001
17,511	17,511	+0.25	+0.001	+0.001
17,511	17,511	+0.25	+0.001	+0.001
17,511	17,511	+0.25	+0.001	+0.001
17,511	17,511	+0.25	+0.001	+0.001
17,511	17,511	+0.25	+0.001	+0.001
17,511	17,511	+0.25	+0.001	+0.001
17,511	17,511	+0.25	+0.001	+0.001

NASDAQ Diary				
Close	Prev.	Chg.	Chg. %	Chg. %
17,511	17,511	+0.25	+0.001	+0.001
17,511	17,511	+0.25	+0.001	+0.001
17,511	17,511	+0.25	+0.001	+0.001
17,511	17,511	+0.25	+0.001	+0.001
17,511	17,511	+0.25	+0.001	+0.001
17,511	17,511	+0.25	+0.001	+0.001
17,511	17,511	+0.25	+0.001	+0.001
17,511	17,511	+0.25	+0.001	+0.001
17,511	17,511	+0.25	+0.001	+0.001
17,511	17,511	+0.25	+0.001	+0.001

AMEX Stock Index				
High	Low	Close	Chg.	Chg. %
17,511	17,511	17,511	+0.25	+0.001
17,511	17,511	17,511	+0.25	+0.001
17,511	17,511	17,511	+0.25	+0.001
17,511	17,511	17,511	+0.25	+0.001
17,511	17,511	17,511	+0.25	+0.001
17,511	17,511	17,511	+0.25	+0.001
17,511	17,511	17,511	+0.25	+0.001
17,511	17,511	17,511	+0.25	+0.001
17,511	17,511	17,511	+0.25	+0.001
17,511	17,511	17,511	+0.25	+0.001

## NYSE Mixed, Dow Advances

**NEW YORK** — Prices on the New York Stock Exchange closed mixed Monday in moderate trading.

The Dow Jones average of 30 industrial stocks rose 10.05 to close at 2,446.91. Declines led advances by about an 8-1 ratio.

The NYSE composite index rose 0.32 to 172.99. The average share price was up 8 cents. Volume was 142.5 million shares, down from 150.5 million shares traded Friday.

Traders said program buying lifted the blue chips in the final half-hour of trading. In a generally dull market, oil issues stood out as gainers after the weekend agreement on output by the Organization of Petroleum Exporting Countries.

Ron Doran, senior equity trader at First Albany Corp., called it a "lackadaisical" market and said he expected it to remain quiet for the rest of the week. Many traders and portfolio managers are taking off the week before the long holiday weekend, he said. Markets will be closed Friday.

He said the market, with many players absent, would probably show little reaction Tuesday to the index of leading U.S. indicators unless it is far out of line. Analysts estimated the gain in May indicators at 0.6 percent.

Although the market opened lower after Friday's declines, it soon turned higher. Analysts said the three oil components of the Dow average supported the index's early gains. Texaco rose 1 1/2 to 39 1/2, Exxon climbed 2 1/2 to 93 1/2 and Chevron advanced 1 1/2 to 61 1/2.

But Pennzoil dropped 4 to 78 1/2. Texaco said the U.S. Securities and Exchange Commission

would urge the Texas Supreme Court to review the suit involving the two companies.

Alan Ackerman of Gruntal & Co. said the market was supported by a steady dollar. He also said that U.S. money managers were on the sidelines awaiting a better chance to invest. Foreign investors are buying big capital stocks in New York, he said.

Traders said Japanese stocks on the NYSE fell as investors sold the issues because of a recent sharp decline in the Tokyo Stock Exchange. Among the Japanese issues, Matsushita fell 5 1/2 to 149 1/2, Honda sank 5 1/2 to 114 1/2 and Hitachi fell 4 to 79.

Korea Fund jumped 10 1/2 to 70 1/2 on hopes for an end to unrest in South Korea.

Traders said some institutions were adjusting their holdings before the end of the quarter Tuesday. They said, however, that most adjustments were completed last week and only a few more last-minute changes could be expected Tuesday.

Di Giorgio jumped 3 points to 30. Gabelli Corp., which last week said it had offered to acquire Di Giorgio stock in an offer valued at about \$28 a share, said it had a 28.5 percent stake in the company.

Bell & Howell rose 3 1/2 to 57 1/2. An investor group led by Robert Bass of Fort Worth, Texas, said it owned 8.5 percent of the company's common stock. In a statement to the SEC, the bass group said it may buy or sell shares of Bell & Howell.

A.H. Robins, which has been mired in bankruptcy litigation for two years stemming from the numerous liability claims against its Dalkon Shield intrauterine device, was unchanged.

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**NEW YORK** —



INTERNATIONAL LIMITED  
Specialist in merchant banking in London.  
25 Abchurch Lane, London EC4N 3DF

TUESDAY, JUNE 30, 1987

# INTERNATIONAL STOCK MARKETS

## Oslo Prices Are Expected To Stay Firm This Summer

By JURIS KAZA

**OSLO** — Prices will remain firm on the Oslo Stock Exchange during the summer doldrums typical of Nordic markets and the exchange will continue to offer some of the best bargains internationally, according to analysts in Norway and abroad. With domestic interest rates expected to fall later in the year, analysts feel that the market could receive further impetus from domestic buyers.

In the medium to longer term, the Oslo Exchange may offer options trading and a fully computerized trading floor, according to officials. "The average price-earnings ratio here is 9 or 9.5, which means we have relatively better prices than on foreign markets," said Olav J. Svarva, a financial analyst at Den norske Creditbank, Norway's largest commercial bank.

Measured by the Oslo Stock Exchange index, share prices were up nearly 20 percent from a year ago.

Ms. Svarva said that foreign demand, spurred by higher oil prices, had largely been behind the advance on the Oslo market, with domestic investors favoring the bond market. That market is closed to foreigners.

According to the exchange's vice president, Kjell Froensdal, foreign demand for Norwegian shares appears to be at record levels. Many companies are close to closing their books to additional foreign ownership under the limits imposed by Norwegian law, which range from 10 percent for companies in the case of banks to 40 percent in that of shipping companies.

Rolf Grung, another Den norske Creditbank analyst, said foreign trading accounted for around 40 percent of the daily stock-exchange turnover during winter and spring. "That, however, is mostly Norsk Hydro and Norsk Data," he explained.

**LONDON**, Tim Youngman, an analyst with Savory, Miln Ltd., said that in the short term the Oslo stock market would have a quiet holding period. A favorable development, according to him, was a decision by the Norwegian government not to push for a 2 percent turnover tax on share trading.

There is some concern about another proposal that would put the stock exchange under a government-appointed board rather than its present status as a nonprofit foundation run by a committee of business and industry representatives. The proposal also would shift responsibility for the exchange to the Ministry of Finance from the Ministry of Trade.

The Oslo Exchange has been active in calling for stronger penalties on insider trading. According to Mr. Froensdal, the maximum penalty of a year in prison is low compared to penalties for theft and burglary.

On the other hand, he said, Norway's insider law is one of the broadest in the region, covering all persons who have access to confidential, market-affecting information.

The exchange also has shown its teeth in the past year by delisting VIP International, a video and media company.

Asked about potentially interesting Norwegian shares, the Den norske Creditbank analysts pointed to Hafslund, a power utility that recently acquired Nysmed. Also mentioned was Simrad Subsea, a maker of underwater detection equipment.

Mr. Grung pointed to Saga Petroleum as an oil company with large proven reserves and a recent discovery of petroleum traces in its concession area in the Barents Sea.

Mr. Youngman said he was looking for shares in companies that had considerable asset backing. One example was Aker-Norcem, the recently merged construction and offshore group that has been developing waterfront real estate in Oslo.

He said Boregard, the conglomerate, also was starting to look good with a fresh management team and having sold off a lot of unprofitable businesses.

On the Børs 2, Norway's equivalent of an over-the-counter market, Mr. Grung and Ms. Svarva said there could be opportunities in two oil-exploration companies, Norsk Polar Navigasjon and Norsk Vikingolje.

## Currency Rates

Cross Rates	June 29	June 29	June 29	June 29	June 29	June 29	June 29	June 29	June 29
Australian	1.257	1.257	1.257	1.257	1.257	1.257	1.257	1.257	1.257
Belgian	36.33	36.33	36.33	36.33	36.33	36.33	36.33	36.33	36.33
British	1.936	1.936	1.936	1.936	1.936	1.936	1.936	1.936	1.936
Canadian	1.257	1.257	1.257	1.257	1.257	1.257	1.257	1.257	1.257
French	6.545	6.545	6.545	6.545	6.545	6.545	6.545	6.545	6.545
German	1.936	1.936	1.936	1.936	1.936	1.936	1.936	1.936	1.936
Italian	1.936	1.936	1.936	1.936	1.936	1.936	1.936	1.936	1.936
Japanese	163.63	163.63	163.63	163.63	163.63	163.63	163.63	163.63	163.63
Swedish	4.666	4.666	4.666	4.666	4.666	4.666	4.666	4.666	4.666
Swiss	1.936	1.936	1.936	1.936	1.936	1.936	1.936	1.936	1.936
U.S.	1.936	1.936	1.936	1.936	1.936	1.936	1.936	1.936	1.936

## Interest Rates

Interest Rates	June 29	June 29	June 29	June 29	June 29	June 29	June 29	June 29	June 29
1 month	7.75%	7.75%	7.75%	7.75%	7.75%	7.75%	7.75%	7.75%	7.75%
3 months	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
6 months	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%
1 year	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%
2 year	8.75%	8.75%	8.75%	8.75%	8.75%	8.75%	8.75%	8.75%	8.75%
3 year	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%
4 year	9.25%	9.25%	9.25%	9.25%	9.25%	9.25%	9.25%	9.25%	9.25%
5 year	9.50%	9.50%	9.50%	9.50%	9.50%	9.50%	9.50%	9.50%	9.50%

Key Money Rates	June 29	June 29	June 29	June 29	June 29	June 29	June 29	June 29	June 29
1 month	7.75%	7.75%	7.75%	7.75%	7.75%	7.75%	7.75%	7.75%	7.75%
3 months	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
6 months	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%
1 year	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%
2 year	8.75%	8.75%	8.75%	8.75%	8.75%	8.75%	8.75%	8.75%	8.75%
3 year	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%
4 year	9.25%	9.25%	9.25%	9.25%	9.25%	9.25%	9.25%	9.25%	9.25%
5 year	9.50%	9.50%	9.50%	9.50%	9.50%	9.50%	9.50%	9.50%	9.50%

Asian Dollar Deposits	June 29	June 29	June 29	June 29	June 29	June 29	June 29	June 29	June 29
1 month	7.75%	7.75%	7.75%	7.75%	7.75%	7.75%	7.75%	7.75%	7.75%
3 months	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
6 months	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%
1 year	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%
2 year	8.75%	8.75%	8.75%	8.75%	8.75%	8.75%	8.75%	8.75%	8.75%
3 year	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%
4 year	9.25%	9.25%	9.25%	9.25%	9.25%	9.25%	9.25%	9.25%	9.25%
5 year	9.50%	9.50%	9.50%	9.50%	9.50%	9.50%	9.50%	9.50%	9.50%

U.S. Money Market Funds	June 29	June 29	June 29	June 29	June 29	June 29	June 29	June 29	June 29
1 month	7.75%	7.75%	7.75%	7.75%	7.75%	7.75%	7.75%	7.75%	7.75%
3 months	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
6 months	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%
1 year	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%
2 year	8.75%	8.75%	8.75%	8.75%	8.75%	8.75%	8.75%	8.75%	8.75%
3 year	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%
4 year	9.25%	9.25%	9.25%	9.25%	9.25%	9.25%	9.25%	9.25%	9.25%
5 year	9.50%	9.50%	9.50%	9.50%	9.50%	9.50%	9.50%	9.50%	9.50%

## U.S. Sales Of Homes Plummet

14.9% Drop Is 5-Year Record

Compiled by Our Staff From Dispatches

**WASHINGTON** — U.S. sales of new homes plunged 14.9 percent in May from April, the biggest drop in more than five years, as the median price exceeded \$100,000, the government said Monday.

Many financial analysts had expected a slowdown in single-family home sales because of higher mortgage rates, but the size of last month's decline came as a surprise.

The Commerce Department also said that new-home sales in April were less robust than it had previously thought. It said April sales rose 1.0 percent, instead of 7.6 percent as reported last month.

The May decline brought new-home sales to a seasonally adjusted annual rate of 616,000, the lowest rate since December 1984.

The May drop was the largest since January 1982, when home sales fell 19.5 percent.

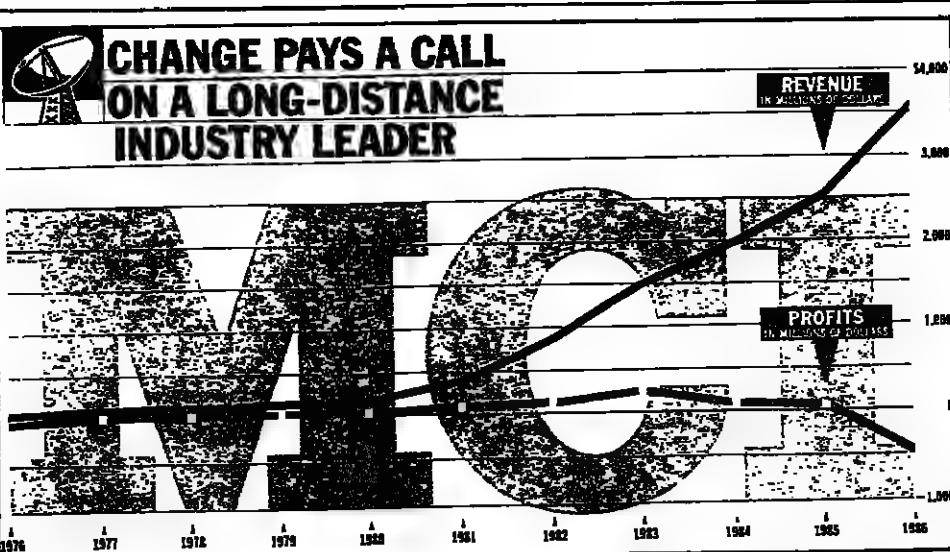
While sales fell, the cost of a new home rose sharply. The average price was \$129,600 in May, up from \$117,500 in April.

The preliminary estimate on the median price for a new home — the point at which half of all homes cost more and half less — broke the \$100,000 mark to reach \$106,300. That compared with \$97,900 in April and \$92,100 in May of last year.

That barrier also was pierced in January and March, but each time the figure was revised to below \$100,000.

Through May, the number of homes actually sold in 1987 totaled 314,000, down 13.5 percent from the first five months of 1986.

Fixed-rate mortgages shot up from an average of 9.3 percent in April to as high as 10.81 percent the week of May 22. (Reuters, UPI)



## MCI, a Distant Second, Tries to Hold the Line

By Elizabeth Tucker

Washington Post Service

**WASHINGTON** — MCI Communications Corp.'s chairman, William G. McGowan, once said his company's initials stood for Money Coming In. Recently, insiders have joked that another name is more appropriate: More Change Incoming.

Now, after Mr. McGowan's heart transplant in April, company officials have suggested another.

"I said we should change it to Medical Communications Inc.," joked V. Orville Wright, the company's acting chief executive officer, who has been dogged with questions about the health of both Mr. McGowan and MCI.

"That's a business we want to get out of."

Mr. Wright's remark reflects the intense interest in the second-largest U.S. long-distance company, centering on whether MCI is at the brink of a permanent change in leadership and what consumers ultimately can expect from long-distance competition.

Long-distance rates have dropped by more than 30 percent since 1984, and competition now means offering something more than just lower prices.

Mr. McGowan, 59, had a heart attack in December and was released last month from a Pittsburgh hospital after undergoing a heart transplant. It is not clear when, or whether, he will resume his duties at MCI. Mr. Wright, 66, the company's vice chairman, was called out of retirement to take over the top job until Mr. McGowan comes back or the board elects a new chief executive.

Mr. Wright said he did not plan to keep the job permanently.

"There is not a question of succession," he said. Mr. McGowan, a man widely considered to be a fighter to the core, is coming back, he said. But he conceded: "It's true none of us know what Bill's future course will be."

Mr. McGowan's chutzpah and determination, more than any other individual's, led to the breakup of American Telephone & Telegraph Co. He turned a small company on the verge of bankruptcy in 1968 into a money

## MCI, a Distant Second, Tries to Hold the Line

By Elizabeth Tucker

Washington Post Service

**WASHINGTON** — MCI Communications Corp.'s chairman, William G. McGowan, once said his company's initials stood for Money Coming In. Recently, insiders have joked that another name is more appropriate: More Change Incoming.

Now, after Mr. McGowan's heart transplant in April, company officials have suggested another.

"I said we should change it to Medical Communications Inc.," joked V. Orville Wright, the company's acting chief executive officer, who has been dogged with questions about the health of both Mr. McGowan and MCI.

"That's a business we want to get out of."

Mr. Wright's remark reflects the intense interest in the second-largest U.S. long-distance company, centering on whether MCI is at the brink of a permanent change in leadership and what consumers ultimately can expect from long-distance competition.

Long-distance rates have dropped by more than 30 percent since 1984, and competition now means offering something more than just lower prices.

Mr. McGowan, 59, had a heart attack in December and was released last month from a Pittsburgh hospital after undergoing a heart transplant. It is not clear when, or whether, he will resume his duties at MCI. Mr. Wright, 66, the company's vice chairman, was called out of retirement to take over the top job until Mr. McGowan comes back or the board elects a new chief executive.

Mr. Wright said he did not plan to keep the job permanently.

"There is not a question of succession," he said. Mr. McGowan, a man widely considered to be a fighter to the core, is coming back, he said. But he conceded: "It's true none of us know what Bill's future course will be."

Mr. McGowan's chutzpah and determination, more than any other individual's, led to the breakup of American Telephone & Telegraph Co. He turned a small company on the verge of bankruptcy in 1968 into a money

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## Allis-Chalmers Seeks Protection From Creditors

Compiled by Our Staff From Dispatches

**MILWAUKEE** — Allis-Chalmers Corp., the former farm-equipment giant that has struggled for two years to put itself on sound footing, said Monday that it was filing for protection from creditors under Chapter 11 of the U.S. Bankruptcy Code.

Allis-Chalmers, once one of the leading U.S. makers of farm and heavy machinery, said the filing applied only to its domestic operations. Its foreign subsidiaries, which accounted for almost half its \$771 million in sales last year, are not affected, it said.

Allis-Chalmers designs, manufactures and markets equipment for handling fluids, such as pumps; for processing solids in mining, and for air quality control. It has about 9,400 employees worldwide.

In March, the company announced plans to sell all its businesses except the profitable air filters operations. It presented a restructuring plan to shareholders, lenders and union representatives on March 4. It said rapid agreement on the plan was essential.

But on Monday, the company said an agreement could not be worked out in time and it had chosen the only practical alternative: seeking protection in court.

Its chairman, Wendell F. Bueche, said the company would continue to do business.

In April, Allis-Chalmers reached a definitive agreement to sell its mining machinery division to Boliden AB, the Swedish group, for about \$90 million.

The company had sold most of its farm-equipment business to Klockner-Humboldt-Deutz AG of West Germany in 1985, effectively ending the major role it had played in that field since the early 1900s.

Since then, its operations have been split about evenly between the air filters division and the solid materials processing units.

Financial difficulty began in the early 1980s, when the farm equipment business began its current slump. The company had losses of \$8.6 million in 1986 and \$9.7 million in the first quarter of 1987.

Allis-Chalmers said U.S. cash flow in 1986 was \$24 million less than was needed to meet financial obligations and 1987 first-quarter cash flow was \$2 million short.

Trading of Allis-Chalmers' stock was delayed Monday morning on the New York Stock Exchange. Once trading began, it fell 75 cents to close at \$1.125. (Reuters, AP)

## Trade Surplus Grew in May in West Germany

Compiled by Our Staff From Dispatches

**WIESBADEN**, West Germany — The surplus on current account widened in May to a provisional 7.5 billion Deutsche marks (\$3.34 billion) from an upward revised 6.1 billion DM in April, the Federal Statistics Office said Monday.

Economists had expected that the sharp appreciation of the mark against the dollar would have started to bite into West Germany's exports and depress the trade surplus.

However, the statistics office said that the merchandise trade surplus expanded to a provisional 10.6 billion DM in May from \$9 billion in April.

The office had originally posted a 5.8 billion DM surplus on the April current account, a trade measure that includes nonmerchandise items such as services as well as merchandise.

Exports in May were 43.3 billion DM, down 1.4 percent from April. Imports were 32.7 billion DM, down 6.5 percent.

## Oil Prices Rise as OPEC's Decision on Production Impresses Market

Compiled by Our Staff From Dispatches

**LONDON** — Oil prices and stocks rose sharply Monday as traders welcomed OPEC's weekend decision to increase output only slightly to protect prices.

In New York, West Texas Intermediate crude for August delivery traded up to \$20.70 a barrel, a 17-month high, before subsiding to \$20.41 around midday. That was still up 17 cents from Friday's close. In London, North Sea Brent oil was quoted at \$19.30 per barrel for delivery in July, against \$19 on Friday.

In U.S. oil stocks, Exxon Corp. jumped to a trading high of \$92.50, from \$91.50 at Friday's close on the New York Stock Exchange, and Mobil Corp. rose 62.5 cents to \$51.

OPEC's speed in hammering out a production pact boosted the oil market's respect for the group and showed it had learned from its mistakes, according to many traders.

After a meeting in Vienna that lasted only three days, the Organization of Petroleum Exporting Countries announced Saturday that it would raise production for the second half of the year to 16.6 million barrels a day, less than it had originally planned, in order to protect its \$18-a







## BUSINESS ROUNDUP

## Broken Hill Reports Fall in Earnings

By Michael Richardson

MELBOURNE — Australia's largest company, Broken Hill Pty., announced Monday a fall in net profit of 17 percent to \$202 million Australian dollars (\$587.2 million) in the financial year ended May 31. It cited problems in its Australian-based steel industry and lower world oil prices.

The decline was sharper than analysts had predicted. BHP's sales rose a marginal 3 percent to 8.8 billion dollars in 1986-87.

Senior executives at BHP said failure to match last year's record profit would not delay plans to have the company's shares listed on stock exchanges in Switzerland, West Germany and Japan within 12 months. BHP shares are traded on the Australian, London and New Zealand stock exchanges. They were listed on the New York Stock Exchange in May.

Following aggressive international expansion in recent years, more than 20 percent of BHP's oil,

natural gas, mining and other interests are in North and South America and other countries outside Australia. But only about 10 percent of the shares are held by foreigners.

Brian T. Lorton, BHP's managing director, acknowledged that the net profit attributable to shareholders before extraordinary items was "less than we had hoped for."

Most Australian analysts had projected the company's net profit between 850 million dollars and 950 million dollars.

Following the company's announcement, BHP shares closed on the Melbourne stock exchange at 9.70, eight cents down on the day but up from a low of 9.66.

Mr. Lorton declined to make a profit forecast, but said he was optimistic that the company would do better than competitors in what he believed would be difficult trading conditions over the next 12 months.

Markets analysts said they believed that BHP oil and steel earnings would show substantial im-

provement in the current year.

The company said net profit for the final quarter showed a 23 percent improvement over the corresponding period a year earlier because of a significantly improved result from the petroleum division.

But for the year, net profit before minority interests and extraordinary items declined in all three of the company's main activities: oil, steel and minerals production.

The most dramatic slump came in petroleum, where profit fell 43 percent to 288.9 million dollars.

Steel profit fell 21 percent to 200 million dollars while profits from sales of coal, iron ore, manganese, copper, gold and other minerals fell slightly to 329 million dollars.

Geoff E. Healey, BHP's executive general manager for finance, said problems associated with extensive commissioning of new plants in the steel division contributed to disruption of production last year, but have been corrected. Industrial disputes remained a matter of concern, he added.

## GenCorp to Sell General Tire To Continental

Reuters

AKRON, Ohio — Continental Gummi-Werke AG, West Germany's largest tire producer, has agreed to buy General Tire Inc. from GenCorp Inc. for \$650 million in cash, the companies announced Monday.

Continental will acquire General Tire, including its domestic and foreign operations, and GenCorp will retain liability for the medical benefits of General Tire employees who retired before Nov. 30, 1984.

The sale is expected to be completed before Nov. 1.

The purchase of General Tire continues a drive by Continental, based in Hannover, to expand away from the saturated European market. Continental said early in June that it would make an offer for General Tire.

## COMPANY NOTES

Allied-Signal Inc. and Schlumberger Ltd. said Schlumberger had acquired Allied-Signal's Neptune International unit in Atlanta, Georgia, for an undisclosed sum. Allied-Signal said Neptune produces water meters and flow-measurement equipment, with sales last year of \$80 million.

Brent Walker Group PLC said it had agreed to buy the group of companies comprising Lonrho PLC's Metropole Casinos division, together with a freehold in central London, for £121.55 million (\$195 million). Payment will be in cash on completion except for £3 million payable on Dec. 1, 1988.

Dumex Investments Inc. has bought 536,334 common shares of United Westbourn Industries Ltd., or 91 percent of the total, after its offer for all the stock at 25 Canadian dollars (\$18.80) a share. Dumex is 70 percent owned by the French construction concern Dumez SA and 30 percent by Unicom Canada Corp., which has energy and real estate operations.

Fernseda AB, a government prosecutor has dropped an investigation into allegations that Fer-

menta's former president, Refaat el-Sayed, traded shares in the company on the basis of insider information. Torsten Wolff, the prosecutor, will not bring criminal charges against Mr. Sayed in relation to the stock transaction in January 1986.

Kobe Steel Ltd. said it had agreed to supply technology to manufacture thin-walled copper tubing used in air conditioners and refrigeration units to Halstead Industries Inc. of Pennsylvania. The two companies are studying joint partial production of Kobe's thin-walled copper tubing in the United States.

Lyonnais des Eaux & de l'Electricite, the French water and cable group, and New World Development Co. of Hong Kong have taken a 38 percent stake in the Macao electricity production and distribution company, Companhia de Electricidade de Macau. The stake was acquired by a joint subsidiary of Lyonnais and New World.

Mazda Motor Corp. has signed an agreement to import coal from Coalex Pty. of Australia through

Sumitomo Corp. Mazda will annually import 144,000 metric tons (158 short tons) of Australian coal worth about 9 billion yen (\$64 million).

Olivetti SpA is in contact with Telerate Inc. of the United States and other groups with a view to strengthening its economic news agency business. Radiocor, an Olivetti spokesman said. No accord had been reached, he said. He declined to identify the other companies.

Rizzoli Editori SpA, the Italian publishing company, has signed a share-swap agreement with the French groups Hachette SA and Publications Filipacchi. Hachette will acquire a 10 percent stake in Rcs Editori. Rcs Editori will take a 12.5 percent stake in the Hachette

subsidiary, Fep, and a 5 percent stake in Publications Filipacchi.

Sumitomo Metal Industries Ltd., said it had set up a joint venture in Los Angeles with Baker Oil Tools Inc. to manufacture and market insulated steel pipes for enhanced oil recovery. The new company, Baker SMI Thermal Systems, will be owned equally by the two companies. Estimated earnings in the first year were \$6 million.

WPP Group PLC, which last week gained agreement on its bid for JWT Group Inc., said it would raise its planned rights issue to raise £215 million (\$340 million) instead of £177 million to finance the transaction. The two groups agreed to merge after WPP raised its price to \$55.50 a share from \$45, valuing JWT at \$566 million.

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## Under New Rules, First Chicago to Buy 35% of Wood Gundy

Compiled by Our Staff From Dispatches

TORONTO — On the eve of regulation of the Ontario securities industry, First Chicago Corp. said Monday that it would purchase a 35 percent interest in Wood Gundy Inc. for 271 million Canadian dollars (\$203 million).

The capital infusion would make Wood Gundy Canada's largest investment dealer.

The agreement is possible under new rules that go into effect Tuesday, allowing the purchase of up to 10 percent of a securities dealer in

the province of Ontario by a foreign interest.

Wood Gundy's chairman, Ted Medland, said First Chicago, which is the 11th-largest U.S. bank holding company, separately would invest around \$11.3 million for a 35 percent interest in a new merchant banking and venture capital business to which Wood Gundy will contribute \$22.5 million.

Wood Gundy employees will hold the remaining 65 percent of the new concern.

The companies said they signed an agreement in principle.

Mr. Medland said First Chicago would receive the 35 percent interest in Wood Gundy in newly issued treasury securities.

The transaction is expected to be completed by Sept. 30 and is subject to Canadian and U.S. regulatory approval.

Mr. Medland said the investment would increase Wood Gundy's shareholder capital to more than \$300 million.

The agreements would permit the companies to deliver capital

markets products and services to each others' customers, both companies said.

The transactions will be carried out through First National Bank of Chicago (Canada), a subsidiary of First Chicago Corp., the 11th-largest bank holding company in the United States, with assets of \$40.1 billion.

First Chicago said the investment in Wood Gundy permitted it to consolidate and enhance its position in Canada and internationally and provided the basis for growth.

(UPI, Reuters)

## Mitsubishi, Cat Set Joint Venture

Agence France-Press

TOKYO — Mitsubishi Heavy Industries Ltd. said Monday that it would set up a joint venture with Caterpillar Inc. on Wednesday to produce construction machinery in Japan.

Mitsubishi, the largest Japanese manufacturer of heavy machinery, said the joint venture, Shin Caterpillar Mitsubishi Ltd., would be capitalized at 23.1 billion yen (\$148 million).

The new company, to be based in Sagamihara, southwest of Tokyo, will aim for annual sales of 300 billion yen by fiscal 1990, Mitsubishi added.

## Willis Faber to Acquire Stewart Wrightson

Reuters

LONDON — Willis Faber PLC is making a \$302.6 million (\$485 million) offer for the insurance broker Stewart Wrightson PLC, the companies announced Monday in a joint statement.

The offer would be on the basis of three Willis Faber shares for every two in Stewart Wrightson, valuing each Stewart share at about 655.5 pence.

Shares of both companies were suspended Friday on the London Stock Exchange.

Stewart Wrightson shares rose to 576 pence after the opening on Monday from a suspension price of 499 pence.

Willis Faber shares were suspended at 437 pence. When trading

resumed they dropped sharply to 393 pence.

Willis already owns 2.05 million shares, or 4.61 percent, and has received acceptances from Stewart's directors for a further 247,469 shares.

Full acceptance of the offer would involve the issue of 66.2 million new Willis shares, or 28.2 percent of the enlarged total.

Willis Faber is a holding company whose subsidiaries engage in international insurance and reinsurance broking and act as underwriting agents for insurance companies and for members at Lloyd's of London.

The companies said the proposed merger would bring together businesses that were largely complementary. They said the combination would permit more effective competition worldwide and would enhance service to clients.

The two companies said the merger would allow significant opportunities for growth in brokerage income and considerable scope for improved operating efficiency.

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Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.  
Via The Associated Press

12 Month		Stock	Div.	Yld.	PE	B/S	100s		Close
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Net asset value quotations are supplied by the Funds listed with the exception of some quotes based on bid price. The marginal symbols indicate frequency of quotations supplied: (d) - daily; (w) - weekly; (m) - bi-monthly; (r) - regularly; (i) - irregularly.

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June 20

# Dollars

## Cash and 1-Month

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German News		Bild		Aushilf	
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	Compass	West	Mid	East	South
4th	19-69	90.50	91.00	91.50	92.00
5th	20-69	91.00	91.50	92.00	92.50
6th	21-69	91.50	92.00	92.50	93.00
7th	22-69	92.00	92.50	93.00	93.50
8th	23-69	92.50	93.00	93.50	94.00
9th	24-69	93.00	93.50	94.00	94.50
10th	25-69	93.50	94.00	94.50	95.00
11th	26-69	94.00	94.50	95.00	95.50
12th	27-69	94.50	95.00	95.50	96.00
13th	28-69	95.00	95.50	96.00	96.50
14th	29-69	95.50	96.00	96.50	97.00
15th	30-69	96.00	96.50	97.00	97.50
16th	31-69	96.50	97.00	97.50	98.00
17th	32-69	97.00	97.50	98.00	98.50
18th	33-69	97.50	98.00	98.50	99.00
19th	34-69	98.00	98.50	99.00	99.50
20th	35-69	98.50	99.00	99.50	100.00

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## CURRENCY MARKETS

## Dollar Steady, Pound Slips in Sell-Off

NEW YORK — The dollar edged higher Monday in very quiet trading with market participants forecasting a continuation of the current narrow range.

"This should be a relatively quiet week," said Jody Foulks, an analyst with the Harris Bank in Chicago. "There is very good support at 1.8150 to 1.8180 Deutsche marks."

In New York at the close, the dollar firmed to 1.8285 Deutsche marks from 1.8270 at Friday's close to 1.8250 from 1.8235 to 1.8215 French francs from 6.0965, and to 1.5205 Swiss francs from 1.5195.

It also gained against the weaker British pound, which closed at \$1.6005, against \$1.6111.

Earlier the dollar was steady in European markets. The pound ended sharply lower after a puzzling overnight sell-off.

The dollar ended in London at 1.8280 DM, slightly above 1.8250 at Friday's close. It also strengthened

## London Dollar Rates

Currency	Rate	Change
Deutsche mark	1.8285	+0.0015
French franc	6.0965	+0.0015
Swiss franc	1.5205	+0.0010
British pound	1.6005	-0.0106

Source: Reuters

slightly against the yen to 146.70 from 146.15.

The dollar also gained on the pound in London, which closed at \$1.6005, compared with \$1.6111.

Dealers and analysts were surprised at Monday's weak performance by the pound, which ended in London at 71.8 on its trading-weighted index, down 4 points from last Friday, and at 2.9280 DM, down from 2.9413.

"There's really no sense to it all," said an analyst at a British bank. "With the fundamentals so strong, the pound should be much higher than it is."

Factors favorable to sterling include political stability, government resolve to restrain public spending, a host of bullish independent forecasts and Saturday's accord on oil production by the Organization of Petroleum Exporting Countries, economists say. OPEC said it would increase oil production for the second half of the year, but by less than it had planned, to protect its \$18 a barrel price.

But none of those factors impressed traders in Singapore and Australia, who London dealers assumed were behind the overnight selling that wiped a cent off the pound. They said the reason for the selling was unclear, but that sterling showed no inclination to correct the trend in lifeless trading.

In earlier European trading, the dollar was fixed in Frankfurt at 1.8280 DM, a slight firming from 1.8257 at Friday's closing, and in Paris at 6.0980 French francs, up from 6.0900. It closed in Zurich at 1.5197 Swiss francs, up from 1.5120.

(Reuters, UPI)

## Bank of France Reduces 2 Key Interest Rates

PARIS — The Bank of France on Monday cut two key interest rates by a quarter of a percentage point, a spokesman for the central bank said.

The intervention rate, which the bank uses to set the floor for money market rates, was reduced to 7.5 percent and the seven-day repurchase rate was cut to 8 percent, he said.

For most of the last half of 1986, the intervention rate was at 7 percent. But it was raised in two stages to 8 percent in mid-December and early January, in parallel with increases in the repurchase rate, as the tumbling dollar and rising Deutsche mark pressured the franc.

A realignment of European Monetary System currencies in January relieved some of the pressure on the franc. The intervention rate was cut a quarter point in March.

MCI, which uses a mixture of technologies that it says is just as efficient and more cost-effective, first counterattacked by scoffing at fiber optics, then turned around and said it was the first to complete a long-distance call over a fiber-optic line, Mr. Morris said. "They have confused the marketplace as to what product it is they are offering, and they validated US Sprint," he said.

Sprint, a joint venture of GTE Corp. and United Telecommunications Inc., has spent billions on a new network. It had losses of \$800 million last year, but its marketing is working. The payoff could be the No. 2 position in long-distance.

MCI now holds nearly 9 percent of the \$50 billion long-distance market, but Sprint is creeping up. It holds about 5 percent, according to Northern Business Information, a market analysis group. By the end of 1987, Sprint will have 7 percent

of the market, said Glenn Powers, an analyst with the group.

"In the race for No. 2 position, Sprint looks awfully good," he said. "Just the same, Mr. Powers said, 'MCI has more customers, and the best network is the one in place and working.'"

But the company's days of dazzling growth are over. "They are making a difficult transition from growth-oriented market share to a cash flow and profit-driven company, and that has got to be a painful one for management," he said.

Ultimately, though, insiders who have left the company say it is not clear who will get the top job.

Analysts say that meeting the challenges, which now hinge on offering new services to big business customers, is going to be difficult. The company needs at least a 13 to 15 percent market share to be truly

competes with the giant in virtually every segment of its business. But he said it's also a way to stabilize the price of calls that are "really just above the cost of providing service."

On the company side of the equation, MCI cut its work force by 16 percent last year — down to 13,700 — to trim costs. About 20 percent of the cuts were employees of Satellite Business Systems, a business communications company that was purchased from IBM in exchange for a 16.7 percent stake in MCI, estimates Mr. Roberts, MCI's president.

MCI also announced a \$500 million write-off to account for outmoded technology that is replacing and a reduction in annual capital spending from more than \$900 million to less than \$800 million. The company will reduce internal costs to 25.7 percent by the end of this year from 36 percent of revenue in 1984.

According to Mr. Roberts, the company, which has about 1 million business customers, wants to expand the services it offers large accounts.

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## MCI: The Long-Distance Second Is Trying to Hold the Line Against US Sprint

(Continued from first finance page)

fight for large business customers that generate most long-distance revenue. AT&T still has by far the largest piece of the long-distance market, with about 76 percent.

Way out in front of the pack of AT&T competitors in the early 1980s, MCI may be losing its market share to US Sprint now that the industry's big price advantages over AT&T have disappeared, analysts say.

Discounts given to AT&T competitors for connections to local telephone networks are largely over now that new technologies enable the companies to offer long-distance service with the same ease of dialing. MCI's lowest prices are now 10 percent less than AT&T's, analysts say.

"The basis of winning has shifted from price to quality and product and, unfortunately, MCI created an image in the marketplace early on that it was not the quality product but it was the cheapest product," said Robert Morris 3d, an analyst with Prudential-Bache Securities. "US Sprint has created in the marketplace the perception of the difference in product."

Sprint is building a nationwide fiber-optic network that uses thin glass strands to efficiently transmit voice and data signals using light pulses. Sprint has been able to demonstrate, Mr. Morris said, that "fiber is the transmission of a new generation."

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## A.T. &amp; T. Still Holds a Big Lead in Long-Distance

Share of the long-distance market

Others 3% Sprint 5% MCI 9%

Others 11% Sprint 5% MCI 8%

Source: The Yankee Group

NTT

## In the race for No. 2 position, Sprint looks awfully good.

— Glenn Powers, market analyst

successful, Mr. Morris said.

"The way that they have been attempting to achieve it is to just keep hammering away at the market," he said. "The problem with that is it's a slow process."

Mr. Morris said the best alternative is a merger with US Sprint, an idea he said MCI found intriguing. "In conversations, they have indicated for me the benefits of a merger, which include complementary customer bases, expanded customer base and a back-up in the network," he said.

MCI, however, denies any interest in a merger.

The MCI plan includes sculpting a better regulatory environment that will stabilize long-distance rates and lower what is paid to local telephone companies for connections, while aggressively cutting costs and offering new services, Mr. Wright said.

Mr. Wright estimates that MCI pays half its revenue to local telephone companies for vital connections to their networks, while the regional companies make profits hand over fist, he said.

MCI is also calling for the deregulation of AT&T in what analysts have said is a ploy for allowing long-distance rates to rise. Mr. Wright argues that it's time to regulate AT&T because MCI now

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## High-Flying Markets Worry Bank of Japan

TOKYO — The Bank of Japan is increasingly worried that high-flying financial markets will crash, sources at the bank said Monday.

"We're afraid that someday the bubble will burst and that the deflationary impact on the economy will be very disastrous," one source said.

The central bank reportedly has embarked on a delicate policy. It must attempt to deflate speculation that has pumped up prices without bursting the bubble.

The Nikkei 225-share stock market index plunged 393.31 points Monday to close at 24,509.41, extending the sharp declines of earlier this month as the market speculated that interest rates would rise.

The Bank of Japan bought 100 billion yen (\$683 million) in certificates of deposit via repurchase agreements Monday as an indication of its determination to maintain an easy money policy, central bank officials said.

"There is a possibility that a deflationary impact would permeate

the economy if the prices of existing assets collapsed," the Bank of Japan said earlier this month in its annual economic report.

Such a possibility has been heightened by what the bank sees as excessive speculation in stock, bond and land prices.

Over the past two years the market average has doubled, driving price/earnings ratios over 70 compared with about 15 on Wall Street. Bond yields have dropped sharply. Land prices in Tokyo have soared.

The excessive speculation means the markets are increasingly out of touch with economic reality and thus more vulnerable, one bank source said. A collapse now could rob businessmen and consumers of what little confidence they have in the economy after the yen-induced recession of the past year.

"There seems to be an accelerated demand for money to support transactions in shares, bonds, land and other existing assets which has little bearing on value added and therefore on GNP," gross national

product, the Bank of Japan said in its report.

The increased inclination of investors to seek capital gains and the accompanying rise in prices of existing assets could have dangerous implications, it added.

In the bank's view, a major reason behind skyrocketing prices was its own easy monetary policy and the belief that interest rates are heading lower.

Mindful of the potential inflationary dangers posed by excessive liquidity, the bank's board recently decided it had to spell out clearly to the markets that a further discount rate cut was not in the offing, but the bank had to do that without tightening monetary policy and risking a market collapse.

This was achieved partly by a rise in short-term interest rates.

In the longer run, the bank is counting on a gradual upturn in the economy to draw liquidity from the financial markets into productive areas like capital spending, one Bank of Japan economist said.

## OPEC: Oil Prices Rise

(Continued from first finance page)

display solidarity to world oil markets and keep prices high.

"The most important thing is to project to the market their solidarity, and they are leaving it to the market to solve their problems," one Gulf-based analyst said.

"We are overdoing it by holding too short a meeting," Kuwait's oil minister, Sheikh Ali al-Khalifa, said after the Vienna talks.

"We sweep a lot under the carpet," he said.

The new pact also tacitly assumed some members would continue to ignore production quotas allocated to them, analysts said.

Sheikh Ali, the Kuwait oil minister, said OPEC was likely to produce around 17.6 million barrels a day in the third quarter and nearly 18 million in the fourth, compared with the agreed 16.6 million.

OPEC is currently producing about 17 million barrels a day, according to industry estimates.

(Reuters, AP, UPI)

## Monday's OTC Prices

NASDAQ prices as of 4 p.m. New York time.

Via The Associated Press

12 Month High Low Stock Div. Yld. Sales in 1986 High Low 4 P.M. CLOS.

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## SPORTS

Navratilova  
Rolls On:  
Mecir and  
Mayotte Out

The Associated Press

WIMBLEDON, England — Martina Navratilova, looking for new life at 30, advanced to the fourth round Monday at the suddenly sunny Wimbledon tennis tournament.

Navratilova, seeded fourth, was eliminated by Miloslav Mecir of Czechoslovakia and American Tim Mayotte, Nos. 5 and 10, respectively, among the men, and the women's No. 9, Bettina Bunge of West Germany.

Mecir, the runner-up at last year's U.S. Open, was eliminated in the third round by unseeded Anders Jarryd of Sweden, 6-3, 6-3, 6-3. Mikael Pernfors, a crowd favorite with a game based on U.S. college courts, defeated Mayotte, 2-6, 4-6, 6-4, 6-3, 7-5, to reach the fourth round. Bunge lost to Ros Fairbank of South Africa, 7-6, 6-4.

Among Monday's winners were three-time women's champion Chris Evert and Peter Doolan, the unseeded Australian who has become the tournament's giant-killer. Doolan, never a winner at Wimbledon before this year, but a celebrity since defeating defending champion Boris Becker on Friday, rallied after dropping the first two sets to down American Lili Shira, 6-7, 4-6, 6-3, 6-4, 12-10. The match took almost 4½ hours and ended with a forehand volley winner.

The runner-up at last year's French Open, Pernfors is not known as a grass-court player, while Mayotte, with his big serve-and-volley game, had never before failed to make at least the fourth round here.

But Pernfors were down Mayotte with stunning serve returns, sharply angled volleys and topspin lo's. Yelling encouragement to himself, Pernfors wasted no time before finally defeating the 4½-hour match when Mayotte netted a backhand shot.

On Tuesday, Pernfors will meet Jimmy Connors, the No. 7 seed, who needed almost three hours to defeat Kelly Evernden of New Zealand, 6-1, 6-2, 6-7, 6-3. "I'm here to give it a try," said Connors, who won Wimbledon for the first time 13 years ago with a victory over Australian Ken Rosewall, then 39. "I don't need to win Wimbledon, but I'd like to. I'm 34 and I've still got the opportunity to win it. That's a pretty good feeling."

Navratilova, the defending women's title and top seed but without a tournament triumph this year, took 47 minutes to beat fellow American Pam Shriver, 6-2, 6-2, and threw her towel to the cheering crowd at the finish.

"Today I was determined to have a good time and I did," Navratilova said. "I would think that the towels I have thrown are very special and will be cherished forever. It's fun to do that when you know it means something to people."

Navratilova seeded third this year, beating through the first set before losing to Kyoko Okamoto of Japan, 7-5, 6-0, in 58 minutes on Center Court.

Winning an all-U.S. match was women's fifth seed Pam Shriver, who beat Beth Herr, 6-2, 6-2. The eighth seed, Claudia Kohde-Kilsch of West Germany, also advanced with a 6-2, 6-1 decision over Elizabeth Smylie of Australia, while 11th-seeded Catarina Lindqvist of Sweden downed Elise Burgin of the United States, 6-4, 6-1.

No. 3 Mats Wilander joined Connors in the round of 16 with a 7-6, 6-4, 6-3 victory over fellow Swede Jonas Svensson. Wilander saved three set points to take the first set to a tie breaker.

Pat Cash, the No. 11 seed, beat Michel Schapens of the Netherlands, 7-6, 6-2, 6-4, and No. 14 Emilio Sanchez of Spain defeated Chris Van Rensburg of South Africa, 7-5, 6-4, 7-5.

Two matches between seeded players Guy Forget of France beat American Paul Annacone, 4-6, 6-4, 6-2, 6-4, and Slobodan Zivojinovic of Yugoslavia, a semifinalist a year ago, ousted Jeremy



Pam Shriver: "Sooner or later, I'll be ready to make a splash."

Bates, the last British player in either singles field, 7-6, 7-5, 7-6.

The second week of the grass-court grand slam tournament opened under decidedly different conditions than the first. Last week's opening day was rained out, and bad weather claimed another 1½ days of the next five. But British summer was in force Monday, with hazy sunshine, high humidity and temperatures near 30 degrees centigrade (mid-80s Fahrenheit).

Connors, a Wimbledon champion in 1974 and 1981 but without a tournament victory in nearly three years, swept through the first two sets against Evernden, then battled back from a 3-0 deficit to send the third set to a tie breaker, which the unseeded New Zealander won, 7-4.

In the third set, with the temperature and humidity soaring, Connors kept hitting serve returns for winners and coming to the net for putaway volleys, wrapping up the victory on his second match point when Evernden netted a return.

Wilander, a loser in the championship match of the French Open earlier this month, had trouble early against Svensson, but won the tiebreak 7-0 and coasted from there.

He built a 3-0 lead in the third set with a solid net game, moved to 5-3 on their strength of strong serves and forehand winners and broke Svensson for the match on a winning volley, a forehand crosscourt passing shot and two Svensson errors, the last one a forehand into the net.

Harper used well-placed groundstrokes to take as many games from Navratilova as the defending champion had lost in her two matches combined.

But Navratilova's volleys were too strong, and she wrapped up the match after losing just five service points.

Shriver, who also used a strong serve-and-volley game to beat Herr, is progressing almost unopposed through the tournament. She has made only one appearance in a grand slam final, losing to Evert in the 1978 U.S. Open at the age of 16. Since then, despite consistently high rankings, her career has been a succession of quarter- and semifinal defeats, sprinkled with the occasional first-round loss.

"This time last year I was playing Platteau matches," which only involve first-round losers, Shriver said after her victory Monday. She is now in the final 16, but ahead in her bracket are fourth-seeded Helena Sukova and, if she wins, second-seeded Steffi Graf.

"I'm just trying to be quiet and get better each match," said the 6-footer (1.82 meters) whose career has been spent in the shadows of Navratilova and Evert. "I much prefer to come through a tournament."

Dan Foxman, who shot a 67 and Wayne Levi (a closing 70) couldn't make up the necessary ground and fell one stroke short. Gene Sauers (70) and tied for fourth place with Lee Trevino, who finished with a 66. Doug Tewell, with a 69, and John Inman, with a 70, were next.

"With a three-shot lead at the start of the day, I really felt a little defensive. Like the other guys really had to come and get it," said Azinger, 27.

"I didn't hit well at all. Every day is different — it always feels a little bit different, especially when there's a lot of pressure on."

The victory made Azinger the first three-tournament winner on the 1987 PGA tour. Scott Simpson and Corey Pavin, neither of whom played here, both have two victories.

Azinger had won the Phoenix Open and the Las Vegas Invitational, but had not finished higher than 25th since the latter tournament (he missed the cut in the previous week's U.S. Open). The \$126,000 winner's check brought Azinger's earnings for the year to \$576,462, tops on the tour.

His final round included one birdie and two bogeys. Azinger missed a 6-foot (1.82-meter) putt on the 12th hole, but birdied the 13th. He drove poorly on the par-3 17th and put his second shot over the green, but chipped back to within two feet and salvaged a bogey.

His drive on No. 18 went well to the right, but the ball bounced back out of the crowd and into the fairway. He hit his second shot to the fringe of the green and then putted seven feet past the cup.

But he made the putt to win. Said Azinger: "I was incredibly lucky."

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## Three Observers Are Part of Wimbledon's Tradition

By John Feinstein

WIMBLEDON, England — Late last Thursday afternoon Ivan Lendl was on Center Court, fighting for his life against one Paolo Canne, a player known to dozens of people in the tennis world.

Lendl grimaced, swiped at the wet grass with his racket, argued with the chair umpire. Above the court, in the BBC broadcast booth, Dan Maskell let the camera do its work. Finally, after a full minute of silence, Maskell said, "Not a very happy man."

Maskell is a man of few words, none of them wasted. He is as much a part of Wimbledon's tradition as the grass courts, the Royal Box or Center Court.

This is Maskell's 59th Wimbledon — since the birth of Bud Collins, the voice of American tennis, Maskell, 77, has not missed a day of play here. When Ted Tintin, 77, celebrated his 60th year at Wimbledon last week, Maskell was impressed. "Teddy's been here a long time," he said, smiling.

Among them, Maskell, Tintin and Collins have seen 135 Wimbledon (Collins, at 58 the baby of the group, first came to Wimbledon as a spectator in 1959). Players, even great ones, come and go. Maskell, Tintin and Collins have stayed. They have a number of things in common — remarkable memories, a penchant for story-telling, generous natures and strong backgrounds as players. Maskell was the pro at the All England Club for 27 years. Tintin was a good amateur who played until well into his 40s. And Collins, who talks on the air as if he is the world's worst hacker, won the national indoor mixed doubles championship in 1961.

Above all, they share an abiding love for tennis. Tintin may have expressed it best for all three. "There are no three words in the English language that give me more pleasure," he said, "than getting into a car in the morning and saying, 'To Wimbledon then.' As long as I can do that, life is worth living."

Maskell was born in London near the venerable Queens Club. He was 14 when his father arranged for him to become a ballboy there. "He believed that there was going to be a great boom" in tennis after World War I, Maskell recalls. "He thought the sport soon would be something the common man took part in and that there would be a great need for teachers. He wanted me to become a teacher."

In those days it was prestigious to be a ballboy at Queens. Maskell was one of 30 on the staff and, in 1925 at age 17, he won the ballboys' championship. A year later, the club hired him as a junior pro.

Although his job was to teach, Maskell spent six hours a day playing. He won the pro world championships in 1927 (but points out that the 10 foreign entries never made it to London when they learned that their expenses would be paid only from their English port of entry). One year later, he challenged Charles Reed for the championship of Britain — then a major title — and beat him in a three-match series. That was the first of 16 times he won the event.

By 1930, he was the pro at Wimbledon, teaching the members, playing with the top names when they came in to prepare before the championships. He also coached the Wimbledon Cup and Davis Cup teams.

Maskell is a big fan of Americans. "One thing I think people here fail to understand is the importance of Americans to Wimbledon," Maskell said. "If not for the Americans

sending their best players here year after year, Wimbledon simply would not be Wimbledon."

After the war and a stint in the Air Force, Maskell returned to Wimbledon. He retired as pro in 1955, and four years earlier had started a career as a commentator for the BBC. His low-key style is revered here. Every year, U.S. journalists here rave about his calm style in contrast to that of the frenetic Collins.

"People don't understand that Bud has to be entertaining on the air," said Maskell. "That's the way American television is. I'm not paid to entertain. I'm paid to try to make the tennis a little more understandable."

Last week, on his birthday, Tintin was approached by Martina Navratilova, Chris Evert and Pam Shriver. They had with them a certificate, signed by 25 people, for a round-the-world trip aboard a Concorde.

A man of many words, Tintin was almost speechless. "I'll never use it, of course," he said. "But it will go into my collection of tennis memorabilia."

That night in his hotel room he wrote 23 thank-you notes.

Tintin believes in doing the right thing, but he has landed in hot water for being outspoken, for creating Gussie Moran's famous lace panties and for being himself.

It is impossible not to notice Tintin. He is 6-foot-4 (1.93 meters) and has an egg-shaped bald head. He wears a diamond earring in his left ear. His taste in clothes runs to pinks and maroons and bright white. He is decidedly British and decidedly un-British. "I love stars and I love stardom," he said. "I think the English as a people shy away from stardom, but I don't. I like stars. I like the publicity because, after all, we aren't looking for the girl next door in our stars, are we?"

Tintin began working at Wimbledon in 1927, first as an umpire, then counting the day's take each evening. He worked at Wimbledon until he became an uninvited guest because of the uproar Moran's lace panties caused in 1949. Wimbledon can hold a grudge with the best of them; it wasn't until 1981 that he was invited back.

"Remarkable place, Wimbledon," Tintin said. "I still have both letters I received asking me to work there, one from 1927 and one from 1981. They are almost identical."

He was brought back in 1981 as a liaison between the club and players, as well as the press. He was made an honorary member in 1983 for helping repair relations between John McEnroe and the club. "That really did mean a great deal to me," he said, "because at Wimbledon getting someone into the club who wears an earring simply isn't done unless it's discussed for centuries. Of course, I am 100 years old."

There are no three words in the English language that give me more pleasure than getting into a car in the morning and saying, "To Wimbledon then." As long as I can do that, life is worth living.

— Ted Tintin

The first day of Wimbledon 1987 had been a disaster. It had rained until 7 P.M. and only one match had been completed, that one at dusk. It was getting on toward midnight in the press room and a lot of unhappy people were trying to find something to write.

In the middle of the room, Collins was pounding out a column on Bud Schultz, who two days later would upset Aaron Krickstein. No one else had heard of Schultz.

Suddenly, someone looked up at Collins. "You realize this is all your fault? If it weren't for you, none of our papers would have sent us here. You invented Wimbledon, Collins." And then the sportswriters began to boo him. It was a moment Collins savors, for the hoots were filled with affection.

Collins is the same off the air as he is on it — enthusiastic and full of one-liners. "I love the game," he said recently. "Maybe I'm a case of arrested development, but I still get excited before a match. I still get nervous before I do a final on television. I like seeing what will happen next."

His father was the athletic director and football coach at Baldwin-Wallace University in Berea, Ohio, and the house was right behind the tennis court. As a high school senior, Collins formed a team, and went on to play at Baldwin-Wallace.

After graduation, his first newspaper job was at The Boston Herald. "I started to go to Boston University to get a masters in public relations, but when I got there I realized I didn't have enough money," he said. "I went looking for some part-time work at a paper on the weekends and found it at The Herald. When I realized I could get hired, I lost interest in school."

When he was hired full time by The Globe, one of his first assignments was the Massachusetts women's tennis championships. "The boss apologized to me," Collins said. "He said, 'I'm sorry to do this to you, but you're the new kid.'"

The kid loved it, and spent the next few years trying to con the sports editor into letting him cover more tennis. "They let me go to Forest Hills in 1956," he said. "Althea Gibson was a big story then. When she lost the final on Saturday, I called and told them that Lew Hoad was going for the grand slam on Sunday against Ken Rosewall. They said, 'Forget it — Gibson lost, you're done.'"

Collins' big break came in 1963, when a friend named Greg Harvey, working at the public-TV station in Boston, decided to try televising a tennis clinic. He asked Collins to be the host. "We were terrible," Collins said. "But Harvey called and said that others liked it. They wanted to do the national doubles from Longwood and asked if I would do it. I said sure." He was paid \$250 for the week.

In 1968, moments after he had finished covering the national amateur final at Longwood between Arthur Ashe and Bob Lutz, Collins got a call from CBS, which the following week was televising the first U.S. Open.

Collins did the open for CBS for five years. In 1972, NBC hired him to do Wimbledon; that year he did both Wimbledon and the open — for different networks. It was unprecedented, and hasn't happened since. The next year he chose NBC.

He has been criticized for being loud, overly enthusiastic and for giving people crazy nicknames. But what people do not understand is that is simply his nature. On the air, Collins plays himself.

## SCOREBOARD

## Baseball

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